

The NATIONAL UNDERWRITER



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Will This Jury Be Generous With Your Money?

A jury consists of twelve people who are reminded daily that living costs are on the increase. Their courtroom decisions reflect their personal experiences, making awards in liability suits larger than ever before.

You can protect yourself against this inflationary trend and avoid financial disaster. See your insurance agent or broker to be sure the limits in your policy are high enough to protect your assets.

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THURSDAY, JANUARY 3, 1952

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YOU CHOOSE A COMPANY BECAUSE OF *

ITS FINANCIAL STABILITY. This is a prime consideration when you select a company to represent.

The American Insurance Group is justly proud of the fact that over 10,000 local agents nation-wide have selected one or more member companies of our Group to represent.

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Each month The American will present, in series, the nine most important reasons why an agent chooses a company to represent. These reasons are the result of an independent survey of over 2,000 local agents nation-wide.

FINANCIAL STABILITY

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1946
The American Insurance Group
Newark, New Jersey

THE AMERICAN INSURANCE CO. BANKERS INDEMNITY INSURANCE CO. THE COLUMBIA FIRE INSURANCE CO. THE JERSEY FIRE UNDERWRITERS

THE NATIONAL UNDERWRITER. Published weekly (with one additional issue in May and July) by the National Underwriter Company, Office of Publication, 175 W. Jackson Blvd., Chicago, Ill., U.S.A. 56th year, No. 1, Thursday, January 3, 1932. \$6.00 a year (Canada \$7.00, Foreign \$7.50). 25 cents per copy. Entered as second-class matter April 23, 1931, at the post office of Chicago, Ill., under Act of March 3, 1879.

Plan Merger of Four Indianapolis Companies

Vernon and Secured Groups Would Form Secured General Ins. Co.

Directors of the Vernon General and Secured groups of Indianapolis have given approval to the idea of merging the four companies in their groups into a single multiple line stock company to be known as Secured General Ins. Co.

A committee of seven persons representing each of the four companies involved—Vernon General, Vernon Casualty & Reinsurance, Secured F. & M., and Secured Casualty—has been appointed and will explore procedures necessary for consolidation. Many details remain to be worked out, including the mechanics of what must be done with Vernon General, an old (1851) charter company. It will be several months before the stockholders will be called to vote on plans, but a letter of notification of intentions was mailed them this week.

The home office of the new company will be the new building of Secured F. & M. at 428 North Meridian street, Indianapolis. This structure was only recently completed and is especially designed for insurance operations.

Based on Dec. 31, 1950, statements, the new company will have assets of nearly \$9 million, and surplus to policyholders of more than \$3 million.

Directors and officers of Secured General will be named from the heads of the present companies. R. B. Parrott is president of the Secured companies and T. G. Harris is president of the Vernon companies. Don G. Kaga until recently was vice-president and superintendent of Secured F. & M., and a few weeks ago he joined the Pfleiderer & McGraw agency of Detroit as a partner.

As of Dec. 31, 1950, Vernon General had assets of \$1,940,000 and policyholders' surplus of \$385,000. The company was dormant from 1910 to 1940. The affiliated Vernon Casualty had assets of \$2,440,000 and surplus of \$359,000. It writes mostly auto reinsurance.

Secured Casualty assets were \$1,701,000 and surplus was \$99,945. The associated Secured F. & M. had assets of \$2,193,000 and surplus of \$1,100,000.

F. M. Whitford Advanced

Frank M. Whitford has been promoted by Great American to executive assistant in the western department at Chicago.

Norman D. Graves has been appointed state agent in Kansas with headquarters at Wichita. Steven H. Friend has been appointed special agent in Kansas and Warren K. Gibbs special agent in Missouri.

Three N. Y. Comminglers Fined

Superintendent Bohlinger of New York has fined three brokers for failing to keep their clients' premiums separate from other funds as required under the state insurance law. Those fined \$50 include Mrs. Charlotte P. Kant of 820 W. 180th street, New York; Mildred C. H. Tonking of 2930 Westchester avenue, New York, and Hubert V. W. Card of 11 Gates avenue, Montclair, N. J.

Johnson Notes Need for Basic Standardization

BOSTON—The present status of developments in multiple line underwriting, the obstacles to more rapid expansion in the use of such powers, and some of the philosophy with which the movement toward including more insurance in fewer policies is regarded were set forth by H. Clay Johnson, general counsel and assistant U. S. manager of Royal-Liverpool, at the annual meeting of American Assn. of University Teachers of Insurance here.

Standardization, he said, is one of the most important attributes of insurance, and one of the strongest factors in the public's reliance on it.

To begin with, Mr. Johnson called attention to the basic fact that when new things come along, they have to make their way in what amounts to very tough competition with what is already there. For example, a slow pick-up freight train that proceeds along the line, stopping at every junction large and small and picking up freight cars waiting on the sidings, involves a cumulative process. How difficult and disrupting it would be if the engineer were told to return and redeposit each car where it was originally found.

Economic Interdependence

Much the same phenomenon occurs in the economy. Standards once established have a way of becoming encrusted with psychological inertia and economic interdependence. There is much "economic freight" all about—with the greatest reluctance of all concerned to return it to its point of origin. There is a vast interdependence of subjects confronting those on the threshold of change; they are forced to build upon what is already here rather than begin afresh.

While it is true that there have been some significant developments in the field of multiple line underwriting which represent attempts at carrying out the underlying purpose of the legislation, on the whole not a great deal of progress has been made in this direction. Here are some of the reasons for this apparent reluctance on the part of the business to seize the opportunity.

First is the lack of homogeneity between fire and casualty practices as built up over the years in the various companies writing the business. This stems from certain essential differences between fire and casualty generally. Before a company organization can begin to coordinate its coverages it is necessary first to coordinate itself, a change not accomplished overnight.

Standard Fire Policy

Another obstacle in the way of full multiple line underwriting is the New York standard fire policy. Under present administrative or statutory requirements in most states, effect can be given to multiple line coverage only by the use of endorsements added to the standard fire policy. This makes the standard policy appear as an awkward impediment. However, the reluctance on the part of the industry to abandon the standard policy is quite understandable in the light of the "economic freight" concept. The standard policy has been a successful legal instrument for writing fire insurance in the U. S. since 1873. It restored order and certainty to the business when it was in a chaotic state. The standard policy is now surrounded by an aura of case law upon which great reliance is placed by the courts. The standard policy assures concurrency of coverage as to risks distributed among several carriers. So one is foreclosed from adopting a purely

theoretical point of view but is forced to adopt a very practical one when considering possible abolition of the standard policy to make way for full multi-peril writing.

Most thinking persons agree there has arisen a need for a change in concept to permit writing of multi-peril coverages in a single document while still preserving the advantages of the standard policy. However, these objectives cannot be achieved by treating a multi-peril policy as something new and different and therefore immune from the standard policy requirements. One reason this is so is the existence of rate regulatory laws. It is important that companies wishing to adopt common policy forms and to fix corresponding rates do so through a duly licensed rating organization with the product of their endeavors being tested under the applicable rating law. If a multi-peril policy is given a hybrid classification and set apart from fire, casualty, or inland marine insurance, it finds no shelter under any existing rate regulatory statute against the impact of federal antitrust laws, and concerted rate-making activities in that field acquire dubious legality.

Can Start All Over

Of course, the obvious solution is to repeal all rate regulatory laws and adopt new ones which abolish the old distinctions and permit rates for all coverages, whether written in combination or otherwise, to be considered under a common administrative framework. No doubt this will be done in time, but anyone familiar with the laborious processes of enacting the all-industry form of rate legislation and the careful distinctions that were drawn between the criteria for testing fire, casualty and inland marine rates, will not expect this to be done in a hurry.

Standardization is a very important consideration, he said. This is probably taken too much for granted not only in insurance but in other phases of the economy. Visiting in England last May Mr. Johnson was given the temporary loan of a small radio. He was surprised to find the electric plug did not fit the socket in the hotel room. The hotel engineer replaced the electric plug with another which fit, explaining that there were about 12 different types and sizes of electric plugs in current use in England. I mention this only to illustrate the point about taking standardization for granted in the U.S.A. What terrific confusion would result if manufacturers of articles in daily use did not keep standardization well in mind. No consumers—and not even the Department of Justice itself—would seriously contend that concerted effort among manufacturers of a product to standardize its functional aspects in an abuse which should be corrected by legal means or otherwise.

Instinctive Public Reliance

An insurance policy can be viewed in the same light as other more tangible products sold to the consuming public and designed to serve a functional purpose, Mr. Johnson believes. A policy is intended to cover the particular perils against which the policyholder requires protection and in so doing it fulfills a functional necessity. The use of the standard fire policy—and the adoption and use of the standard E.C. endorsement, standard automobile policies, and many other standard forms of coverage promulgated by the stock company bureaus—has over many years inculcated in the minds of the policy-buying public

(CONTINUED ON PAGE 11)

Teachers View Own, Business' Problems at Annual Parley

Kahler Elected President; Miller Sees Increased A. & H. Competition

BOSTON—C. M. Kahler, professor of insurance at the University of Pennsylvania, was elected president of American Assn. of University Teachers of Insurance, at its annual meeting here. Lawrence J. Ackerman, dean, school of business administration, University of Connecticut, was named vice-president; J. Edward Hedges, professor of insurance at Indiana University, was re-elected secretary-treasurer, and Paul Abbott, director of education of North America, is the new member of the executive committee.

Attendance at the meeting was good, through there was competition from some of the 19 other organizations in the economic and statistical fields that were holding sessions here at the same time. Erwin A. Gaumnitz of University of Wisconsin, retiring president, was unable to attend A.A.U.T.I. because of the marriage of his daughter.

Program Is a Good One

The program attracted a number of insurance people interested in the field. It featured talks by Hampton H. Irwin of Wayne University, on introducing and developing insurance in a curriculum, which was discussed by William T. Beadle, Illinois Wesleyan, and Herbert C. Graebner, Butler University; the impact of multiple line powers on the insurance industry by H. Clay Johnson of Royal-Liverpool; the impact of new disability coverages on life companies, by John H. Miller of Monarch Life, and "Running a Life Insurance Company Is Fun" by Julian D. Anthony, president Columbian National Life, who spoke at the banquet. The talks of Mr. Irwin and Mr. Johnson are treated elsewhere.

W. W. K. Freeman of Mutual Boiler was one of the discussants at a session of American Statistical Assn., on standards of statistical conduct.

Liberty Mutual offered tours of its rehabilitation center for handicapped workers, of tabulating installation and of its research department.

The insurance meeting started off with the annual breakfast that is sponsored by, among others the American Institute for Property and Casualty underwriters.

Arts School Problem

The basic problem of the liberal arts college, Mr. Beadle said in discussing Mr. Irwin's paper, is whether insurance can be taught as a separate course at all. In introducing such a course in such a school, the faculty is dealing with the individual student preparing in an over-all liberal arts way for life, not for the practice of a business.

However, the student is going to be a buyer of insurance.

"Our courses," he said, "are not aimed at making insurance experts out of students but at enabling them to recognize insurance problems when they run into

(CONTINUED ON PAGE 10)

Promotion of New Insurers Found Relatively Easy

Tax Situation Brings Ready Response to Stock-Selling Efforts

Professional promoters of insurance companies are finding an increasingly ready response to their stock-selling efforts.

This trend, which has been particularly marked in the last few years, is due largely to the income tax's tighter and tighter squeeze on regular income and the consequent relatively greater attractiveness of investments that will produce good capital gain rather than immediate income.

Stocks of newly formed insurance companies qualify admirably as advantageous investments from an income tax standpoint. As part of its necessary and normal expansion, a new company must plow back its funds into getting new business and setting up the unearned premium reserve on it. This goes on for five years or so before the company reaches a leveling off and is in a position to pay dividends. During this period of rapid expansion the value of its stock has appreciated enormously, as a rule.

The sales argument, and it is a potent one, is that investment in such stocks offers a maximum of speculative appreciation with a minimum of risk. Whereas in the general run of business the

great majority of new enterprises fail, there are very few new insurance companies that fail and even those that give up the ghost rarely lose anything for their stockholders, as some larger company is nearly always willing to pick up a good bunch of business.

Difference in Operation

The main reason why there are not more promotions of new companies is probably that insurance is such a different operation from anything in the experience of the average business man that it is difficult to get him to understand what the setup is. And, of course, if he is looking for quick dividends an investment in a new company will normally not bring these. Even insurance agents hold relatively few insurance stocks, although it might be supposed they would be a natural market.

Much of the money for promotion of new companies has come out of Texas, because so many wealthy people there are looking for investments that will give them a long-term capital gain instead of ordinary income. However, many other sections of the country have proved good markets too.

Advantage of Long-Term Gain

A look at the tax rates makes it clear why a long-term capital gain is so much better than ordinary income for a man who is making a substantial income. For example, a man earning say \$38,000 a year from his profession has \$100,000 in stocks that are paying him an average return of 6%. This \$6,000 brings his total income to \$44,000 and means that on this top \$6,000 he would lose 78% in taxes. Hence, he would actually be earning only about 1.5% on his \$100,000 investment and at the same time risking the loss of a great part of his principal.

However, if he bought insurance stocks and made nothing for five or six years he might be able to sell out for twice what he paid. The \$100,000 of profit in that case would be subject only

to a tax of 25%, leaving him 75% of his profit.

The big market for the sale of stock of new companies is among professional people and farmers. Sales are for relatively small amounts, averaging around \$1,500. If the big operators get into it, it is usually later on, after the promotional period has passed. The principal pitfall faced by a new company is not so much lack of opportunity to sell insurance as the temptation for those in control to get to fighting among themselves. A primary requirement, of course, is to have a good insurance man as the operating head but if he is hamstrung by factional fights it will probably be difficult for the company to get very far.

Geographic Location Important

Geographic location is important in starting a new company, promoters realize. Smaller places are better than big ones, as it is possible to arouse local pride and community interest. The stockholders are the company's natural first customers and ordinarily can be depended on to influence a substantial amount of business toward the new insurer. One rule-of-thumb is that a company will get 10 policyholders through each stockholder if the agency department does its job right.

Where a fire company is being promoted it is important to get big business men who control sizable amounts of insurance, as these men are in a position to influence local agents with whom they do business to give the new company a substantial amount of business of top quality.

Promotion of new life companies is less extensive than in the fire and casualty fields and selection of the right location is more important as is the proper appraisal of the new company's competitive chances. The latter depends a good deal on the number of companies already doing business in the state and how active they are.

An impressive feature about insurance company promotions to anyone who is considering buying stock in an embryo company is the record they made during the depression of the '30s.

Stewart, Smith of Illinois to Manage Irish Insurer

Irish National of Dublin, has appointed Stewart, Smith (Ill.) Inc. of Chicago, United States manager for the writing of surplus and excess business.

This brings to 20 the number of companies managed by Stewart, Smith. The companies are from England, Ireland, Sweden, Holland, Switzerland, Denmark, Norway, France, and Australia. The facilities are in addition to those provided by Lloyds.

Brown, Hathorn, Doyle Advanced by Glens Falls, Other Appointments Made

Glens Falls group has appointed William M. Brown, Jr., manager and Clarence M. Hathorn assistant manager at Louisville. They will supervise operations in Kentucky and Tennessee.

L. G. Doyle has been appointed manager of a consolidated Philadelphia office, which now includes the eastern Pennsylvania and southern New Jersey territories.

Special Agent L. H. Meek will continue to service fire business in Tennessee. John R. Longo has been appointed casualty special agent for Kentucky and Tennessee.

Mr. Brown joined Glens Falls Indemnity in 1946 at the home office. The following year he was made manager of Glens Falls Indemnity at Louisville.

Mr. Hathorn started with Glens Falls as a special agent in 1927. In 1942 he was transferred to Louisville, where he has been handling fire business for Kentucky and Tennessee.

Mr. Longo had field experience with the company at Poughkeepsie before being transferred to Louisville as underwriter in 1950.

Special Agent W. Brooks Evert will continue to handle fire business in eastern Pennsylvania. Special Agent Hugh M. Chapin has been transferred from Poughkeepsie to Philadelphia and will be in charge of handling fire business in eastern Pennsylvania. Ray W. Ryther has been transferred from the home office to Philadelphia as fire underwriter.

Special Agents W. A. Hornberger and T. C. Flamm, Jr., will continue to service casualty lines in the Philadelphia area, and Special Agent F. J. Engell will continue in the eastern Pennsylvania field.

Mr. Doyle joined Glens Falls Indemnity as claims adjuster in 1933. He was appointed superintendent of agents at Philadelphia in 1941 and later that year was promoted to manager at Philadelphia for Glens Falls Indemnity. In 1945 he was named manager there for all companies of the group.

Mr. Evert joined Glens Falls as a fire special agent in 1945 and has been traveling in eastern Pennsylvania.

Study Ann Arbor Setup

ANN ARBOR, MICH.—Insurance Audit & Inspection Co. of Indianapolis has been retained to conduct a comprehensive study of the city's insurance setup at a cost of \$750 for the general study plus a year's counseling service, renewable for \$350 annually.

Ann Arbor Assn. of Insurance Agents conducted a similar study three years ago but the council failed to carry out its recommendations.

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Combined Assets Valued Over \$100,000,000

Minster Insurance Co., Ltd., London, England. (Est. 1940)	(Reinsured 71.42% by the Swedish Reinsurance Company AEQUITAS, Ltd., Malmö, Sweden) (Est. 1944)
Andrew Weir Insurance, Ltd., London, England. (Est. 1940)	
BRITISH COMMERCIAL Insurance Company, Ltd., London, England. (Est. 1908)	
LONDON and EDINBURGH Insurance Company, Ltd., London, England. (Est. 1919)	
The PRIVATE Insurers Ltd., Copenhagen, Denmark. (Est. 1786)	
The COPENHAGEN MARINE Insurance Association, Ltd., Copenhagen, Denmark. (Est. 1852)	
NEW DANISH Insurance Company of 1864, Ltd., Copenhagen, Denmark. (Est. 1864)	
(Reinsured 71.42% by The General Insurance Company HELVETIA, Limited, St. Gall, Switzerland) (Est. 1858)	
Reinsurance Company SALAMANDRA, Ltd., Copenhagen, Denmark. (Est. 1918)	

Excess Lines

Inquiries Invited

Surplus Lines

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E. W. BLANCH, Vice-Pres. THOS. M. DARREN, Vice-Pres.

810 BAKER BLDG.
MINNEAPOLIS 2, MINN.

Derbyshire, Feeney America Fore Veterans, Retire

Secretary Arthur H. Derbyshire and Assistant Secretary Luke J. Feeney of America Fore have retired under the company's retirement plan. Both with the company for more than 40 years, Mr. Derbyshire has been at the home office and Mr. Feeney with the western department.

Mr. Derbyshire joined America Fore in 1907 at Chicago, later becoming inland marine special agent and then manager of the inland marine department. He went to the home office in 1936 to handle inland marine production for the entire country and two years later was advanced to assistant secretary. He was made secretary in 1948. Mr. Feeney started as an office boy in the western department in 1900. Later he was with the Chicago agency of Eiel & Loeb. He went to Portland, Ore., as manager of the insurance department of Realty Associates, a Continental agency, at the instance of C. R. Tuttle, who was then western manager of Continental. Mr. Feeney returned to



LUKE J. FEENEY

Chicago in 1918 to become examiner in the western department, then for a while was in the Cook county department of America Fore. In 1921 he became chief examiner for the western department of Continental, and in 1927 he was appointed agency superintendent of the America Fore western department. He became assistant secretary, handling all of the states west of the Mississippi except Minnesota, in 1938.

Mr. Feeney was guest of honor at a party given by the officers in the western department last week and was presented a gift by Hugo LaRue, secretary, who was master of ceremonies. Mr. Feeney has embarked on a trip to Florida that will be of several weeks' duration.

Moss Is Beloit President

Arthur Moss, head of the W. J. Tucker agency, Beloit, Wis., has been elected president of Insurance Underwriters Assn. there to succeed Charles Colby. Clarence Chesky was named vice-president, and Joseph Peet was re-elected secretary.

Holding Company Formed

United Canadian Shares, Ltd., has been formed as a holding company for the stock of Canadian Fire and Canadian Indemnity. Most of the shareholders already have exchanged their shares for certificates in the new company.

Canadian Fire and Canadian Indemnity have operated for many years under the same management. Directors and officers of United Canadian Shares will include all those on the boards of the

two companies, in addition to T. Bruce Ross and William M. Scott, secretary and United States manager, respectively, for both companies. C. S. Riley will be chairman, A. L. Denison president; W. C. Riley vice-president and general manager.

Newman Executive V.P.

Frank H. Newman, who has been vice-president of General Security Assurance Corp., has been elected executive vice-president.

O'Connor Opens General Agency; Leaving C. & R.

Stephen F. O'Connor, Jr. has established a multiple line managing general agency for Florida, with headquarters at Tampa. He is resigning Jan. 18 as secretary in charge of the southern department of Corroon & Reynolds. His insurance career dates from 1920, when he started with London Assurance as file clerk. He advanced through various positions of increasing responsibility in the underwriting department. While an

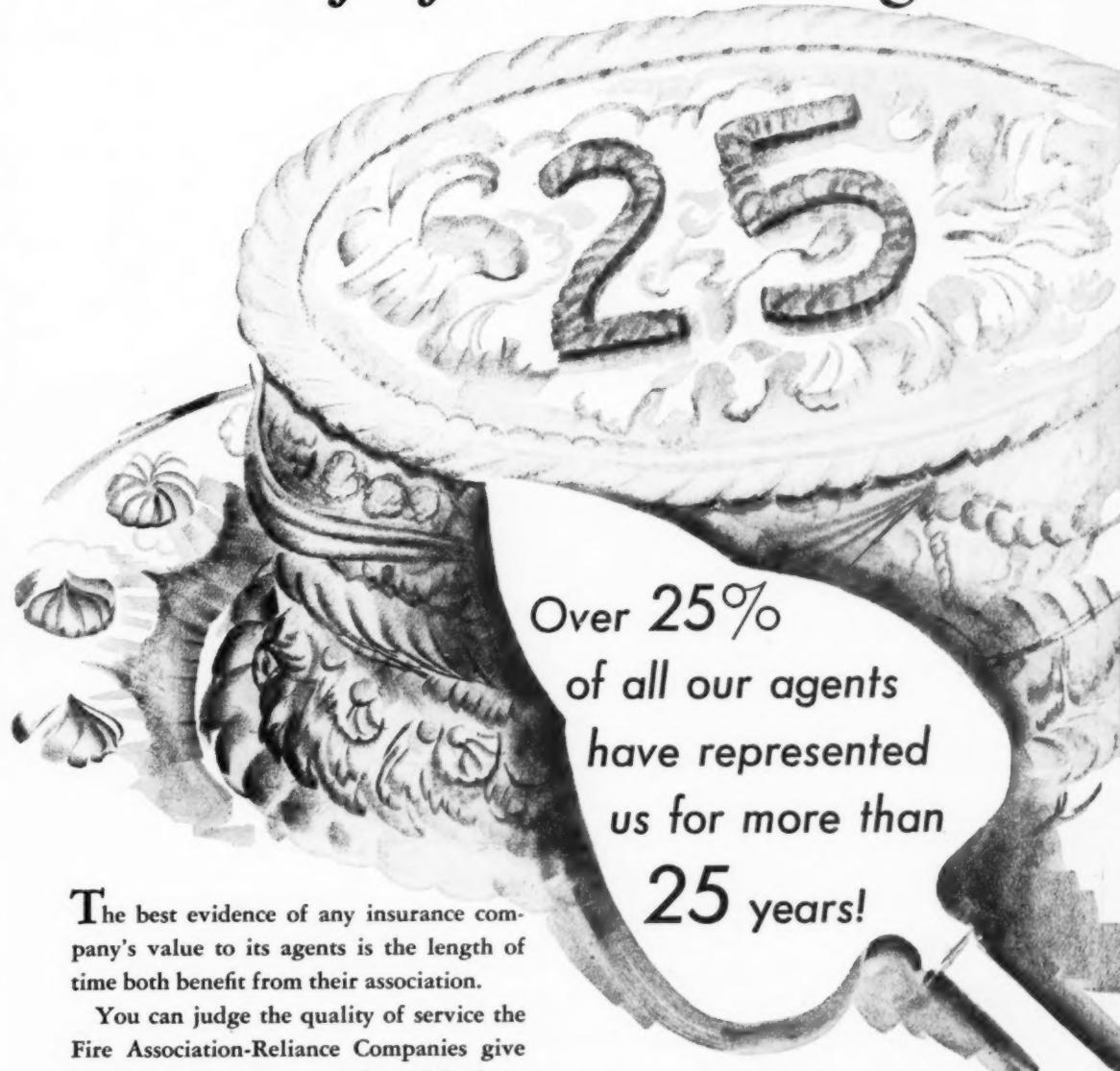
examiner he was president of fire insurance Examiners Assn. For several years, Mr. O'Connor was state agent of the London group in eastern New England and joined Corroon & Reynolds in 1947.

Disband Auto Dealer-Agent Group

Ohio Independent Insurance Agents Assn., which was composed of automobile distributors, is disbanding. Virgil G. Martin, the secretary, is now operating the Columbus agency of the recently incorporated Permanent Ins. Co. of Akron, of which he is vice-president.

Here is the

Proof of the "Pudding"...



The best evidence of any insurance company's value to its agents is the length of time both benefit from their association.

You can judge the quality of service the Fire Association-Reliance Companies give by the fact that today more than 25% of our agents have represented us continuously for more than 25 years.

That's convincing proof of the strength, stability, consistency of underwriting policy and strictest regard for our commitments that the Fire Association-Reliance Companies offer you, the insurance agent. It's the best evidence of the sort of service and support you can count on—under all kinds of business conditions—through the years ahead.

Head Offices: 401 Walnut St., Philadelphia 6, Pa. Branches in Atlanta, Chicago, Dallas, New York, San Francisco, Toronto. Claims and Settling Agents throughout the world.



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Are You Protecting
Your Client's Interest?

Will the Co-Insurance Clause
Take Its Toll in Case of Fire?



AN ACCURATE APPRAISAL
WILL PROVIDE THE ANSWER

BRANCH OFFICES IN ALL PRINCIPAL CITIES

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D. C. Department Merger Plan Sent to Budget Bureau

WASHINGTON — The District of Columbia government reorganization plan, opposed by insurance interests, has been sent by the D. C. commissioners to the budget bureau for review. Upon that will depend largely, it is believed, whether the plan is approved by the President and submitted to Congress, where it can be vetoed by either house within 60 days after submission.

Insurance people protested the plan because it would merge the D. C. insurance department into a new department of commerce and labor.

Petrie Retiring, Koehler, Benitte in New Posts

Harry J. Petrie, who has been Indiana examiner of America Fore since 1926, has retired. He is succeeded by Adolph Koehler, Tennessee examiner, who has been with America Fore since 1923, and Mr. Koehler in turn is succeeded in the Tennessee post by Emil Benitte, who has been an examiner in the survey department.

Mr. Petrie started in insurance with the home office of the old German of Freeport, and later was with the western department of Williamsburg City of Brooklyn, which was absorbed by U. S. Fire. In 1918 he joined the western department of Security of New Haven at Rockford, and the following year went with Western National Fire at Fargo, N. D., as secretary. He joined America Fore in 1924 as underwriter, and two years later became Indiana examiner.

Indianapolis Public Schools to Present Insurance Forums

The adult education division of Indianapolis public schools is planning to conduct a series of public educational forums on insurance. They will consist of seven meetings on consecutive Mondays starting in February. The first two sessions will be on life insurance, the third on A. & H., the next two on fire and inland marine, and the final two on casualty. It is thought that the meetings would help give the public a better understanding of the operation of insurance and its uses.

The forums were the unprompted idea of the school system. Planning of the individual sessions, however, will be assigned to committees representative of those segments of the business particularly interested in each field to be discussed. If the forums draw interest, the school system will repeat them annually.

Sue Government on Crash

Milwaukee Ins. Co. of Loyalty group has filed suit in federal court at Miami against the government for reimbursement of insurance paid on property of a person killed in a plane crash a year ago. The company had insured jewelry and furs of Irene Z. Apfelbaum, one of the 44 persons killed in a collision of a passenger plane and a U. S. navy training plane at Key West. The complaint said the company paid the woman's estate \$2,975, and asked that the government be compelled to repay on the ground of negligence in the operation of the navy plane.

Agents Like "Ad" Program

WASHINGTON — Vic Schinnerer, president of District of Columbia Assn. of Insurance Agents, will soon submit a program for advertising in local newspapers in 1952.

The 48 agents who participated in the 1951 "ad" program believe they got their money's worth: 20 ads in four dailies costing a total of \$5,520, an average of \$4.85 per ad per subscriber.

It is hoped to increase the number of agents taking part.

Schaefer Named to Head Office Post for Sun

Sun has appointed Carl Schaefer, special agent for portions of New York state and Connecticut, as general superintendent of the fire department at the U. S. head office.

Replacing Mr. Schaefer in the field is Charles E. Kendall who has had long experience in head office as an examiner.

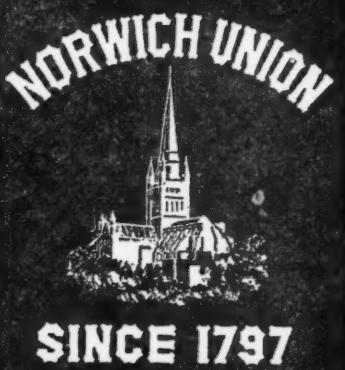
J. R. Lansdowne and Ernest Anderson have been appointed assistant superintendents of the southern and northern units of the fire department respectively.

Lewis Everette, Jr., local agent at Goldsboro, N. C., has been selected by the Chamber of Commerce there to direct the 1952 polio fund campaign in Wayne county.

CLAIMS MANAGER AVAILABLE

This man has had 14 years' experience with three companies. His home office and legal experience qualify him to head a claim department.

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**Agency's First Customer,
35-Year Policyholder,
Dies on Anniversary**

The Alvin S. Keys agency of Springfield, Ill., last month marked its 35th anniversary. The first policyholder of the agency was William J. Wilson of Springfield, who took out a dwelling and household effects policy against fire and wind. Mr. Wilson died last month at the age of 80 after having been a customer of the agency for 35 consecutive years.

Three members of the Keys agency served as pallbearers at Mr. Wilson's funeral and proceeded over ice covered highways in zero temperature to the cemetery 20 miles south of Springfield where burial took place.

The Keys agency regarded its No. 1 policyholder as something special in the

history of the business, and it was a coincidence that he died in the 35th anniversary month.

Bernard Stone to Law Firm

Bernard R. Stone, who resigned Jan. 1 as Nebraska insurance director, is returning to law practice with the Omaha firm of Matthews, Kelley, Fitzgerald & Delehant. Mr. Matthews is the present U. S. ambassador to Ireland and is former Secretary of the Navy.

Mr. Stone intends to confine himself largely to the practice of insurance law.

Greathead, Hannah Raised

Robert N. Greathead and Andrew L. Hannah have been elected secretaries of the Virginia-Carolina department of B. P. Carter Co., managers for several insurers.

**Guckenberger, Lenke,
Sweeney Cincinnati Board
Nominees**

CINCINNATI — Nominees for the board of governors of Cincinnati Fire Underwriters Assn. are George Guckenberger III, Bardull & Guckenberger; A. J. Lenke, Lenke Insurance Agency; and H. P. Sweeney, H. Patrick Sweeney Co. President A. M. O'Connell and H. F. Schottenfels are holdover members.

Mr. Guckenberger was a featured speaker at the October meeting of Ohio Assn. of Insurance Agents. Mr. Sweeney, who was nominated for re-election has been chairman of the program committee of Community Fund for two years. Mr. Lenke received the C.P.C.U. designation this year.

The election will be held Jan. 10 and the new board of governors will elect the board officers.

Mutuals Promote Three

Merrimac K and Cambridge Mutual Fire have promoted Fred T. Cronin, special agent in the Carolinas and Georgia, to executive special agent.

The group has opened a southwestern branch office at Dallas servicing Texas, Louisiana and Arkansas with Kenneth Gordon as manager. He has been special agent there.

New Loss Clause in N. J.

The new loss clause sponsored by Eastern Underwriters Assn. has been approved in New Jersey. As filed by Fire Insurance Rating Organization of New Jersey, the clause reads: "Loss clause—any loss hereunder shall not reduce the amount of this policy." This eliminates the necessity of unearned premium insurance.

New Apportionment at Soo

SAULT STE. MARIE, MICH.—The city commission has voted to apportion fire coverage on municipal buildings equally among all agencies which submitted bids except that those with downtown offices get an additional 10%.

Formerly Sault Assn. of Insurance Agents handled the city's coverage exclusively. Non-members are included in the new apportionment.

Michigan Inspection Bureau has reduced residential rates here 5 cents per \$100 on three-year term policies. The reduction applies only to dwellings at this time.

Bank Drops Local Agency

Puget Sound Mutual Savings Bank, organized recently at Seattle as successor to the former Puget Sound Savings & Loan Assn., has discontinued its former local agency affiliate, Puget Sound Insurance Agency. President Roy F. Taylor has advised Washington

Assn. of Insurance Agents that it is against the law for a mutual savings bank to permit the operation of a separate insurance agency on the bank premises and also expresses the opinion that "these collateral insurance agencies are detrimental to the welfare of the banking institution."

The bank has organized a fire insurance department, whose duty is primarily that of seeing that it has proper insurance coverage in connection with its mortgage loans. "It will be our purpose and practice to gladly accept insurance which is tendered by borrowers when making their mortgage loans," he said.

Tenn. Group Plan Broadened

NASHVILLE—Directors of Tennessee Assn. of Insurance Agents have approved an offer made by Provident Life & Accident to extend coverage under a group plan, previously limited to agency personnel, to include a graduated life plan to dependents also, \$1,000 for wives and \$100 and up according to age, to children of local agents or their personnel, at \$1.10 per month. It will be necessary to have at least 75% of the personnel of each agency covered. The proposition is now being passed along to association members by Secretary-Manager George L. Goss. About 35% of the local agencies of the state are now participating in the group plan.

Wilkinson to Home Mutual

John N. Wilkinson, Jr., who has been special agent of Harford Mutual of Bel Air, Md., has gone with Home Mutual Fire of Binghamton, N. Y., as special agent in Maryland, Delaware and District of Columbia. He will continue his local agency at Bel Air.

Trustees-at-Large Named

Leland T. Powell of Mansfield and B. W. Phelan of Versailles have been named trustees-at-large of Ohio Assn. of Insurance Agents. The association has named R. R. Schryer, Lima; Dewey C. Black, Columbus; Thomas W. Earls, Cincinnati; Charles F. Stewart, Columbus, and J. Douglas Torrance, Marion, on its finance committee.

Pa. Agents Study Rate Making

Pennsylvania Assn. of Insurance Agents is interesting itself in rate regulations, rates and rating plans, and John J. Maguire, chairman of the fire and allied lines committee, has been named to head a group that will study the practical details of rate regulation as practiced by the department. One of Mr. Maguire's duties will be to get out information that will allow the agents to explain to others how the premium dollar is put together. Approved rates and rating plans are open to public inspection, and a greater knowledge of this subject may prove beneficial, the Pennsylvania agents feel.

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Ward, Phoenix-Conn. State Agent, to Agency Ranks

Stetson Ward, Connecticut state agent of Phoenix of Hartford, has resigned to join the Ellithorpe agency at New Haven in partnership with Austin F. Stephan.

Mr. Ward joined the company in 1943 as a special agent and was promoted to state agent for Equitable F. & M. in 1949 and for Phoenix in 1950. He has been in insurance more than 20 years. He will be succeeded by State Agent John G. Tracy who will be assisted by Special Agents M. Scott Chapin, James M. Gilbert and Lawton G. Sargent, Jr.

Rochester Field Club Elects

New officers elected by Rochester Field Club are: President, John A. Riley, Phoenix; vice-president, A. H. Darnell, Jr., Automobile; secretary, Charles D. Allen, Scottish Union; treasurer, Harry A. Craig, Fire Association.

Chapin Blake, Aetna Fire, was elected chairman of the executive committee. Other members are Otis T. Coleman, Home; Frank J. Burke, Phoenix Assurance; Mortimer W. Woodworth, New York Fire Insurance Rating Organization; Russell L. Free, Loyalty group.

Son Succeeds W. G. Sours

William G. Sours, general agent of North British at Jackson, Miss., for many years, retired Dec. 31, with suitable recognition for his long service. Mr. Sours has spent practically his entire insurance career in Mississippi.

He is succeeded by his son, Charles M. Sours, who will assume full supervision of the Mississippi field.

Langlie King County Speaker

Governor Langlie will speak at the annual banquet of King County Insurance Assn. Jan. 8 at Seattle on "Sales Resistance to Good Government."

Preceding the banquet, the association will hold its annual meeting and elect officers.

Miss. Pond Festivities

Mississippi Blue Goose held its Christmas week dance Dec. 28. Wesley E. Godwin was entertainment chairman.

The next meeting will be a buffet and dance honoring the visit of Charles L. Beale, most loyal grand gander, Jan. 11.

Heads L.A. C. of C. Committee

Formal organization of the general insurance committee of Los Angeles Chamber of Commerce has now been completed with the election of Karl F. Glasbrenner, Los Angeles manager of Glens Falls, as chairman. Vice-chairman is Vincent Nuccio, Insurance Brokers Exchange. An executive committee will be selected at a meeting later this month.

Applicants 50% Successful

NASHVILLE—About 50% of those applying for license under the 1951 agency qualification law make passing grades and are licensed, according to Dave Johnson, in charge of the licensing division of the Tennessee department. Of 47 applicants taking the tests at Memphis, 30 made passing grades.

THE OLDEST INSURANCE COMPANY IN THE WORLD



55 FIFTH AVE., NEW YORK

George L. Goss, manager of Tennessee Assn. of Insurance Agents, says the local agents are very well satisfied with the operation of the law for the first year.

Elect at Norwich, Conn.

Underwriters Assn. of Norwich, Conn., at its annual meeting elected Eben Learned, Jr., president to succeed Frank G. Waters.

Other officers are George Silverman, vice-president; Jean B. Ross, secretary, and Robert J. Storms, treasurer.

Houlihan Tampa President

W. J. Houlihan, Jr., has been elected president of Tampa Insurors Exchange succeeding M. M. Williamson who automatically becomes vice-president.

Reelected were J. D. Patrick, Jr., treasurer; Trenton C. Collins, executive secretary, and Miss Marian Boss, assistant executive secretary.

Alaska Claims Service has been established at Anchorage by Don McGee, formerly engaged in claims work at Denver. All types of fire and casualty claims in the territory will be handled.

G.A.B. Promotes Bowen, Furneaux at New Orleans

General Adjustment Bureau has promoted Price Bowen, manager at New Orleans, to general adjuster. Mr. Bowen, who has had 25 years adjustment experience, will continue at the New Orleans office.

W. Furneaux has been named to succeed Mr. Bowen as New Orleans manager. He is a graduate of Southern Methodist University and has been in the insurance business since 1928, joining G.A.B. in 1944. He has acted as storm supervisor at Baton Rouge in the 1947 hurricane and in other locations.

The New Orleans office of G.A.B. has been moved to a ground-floor location at 718 Howard Avenue.

Host to Fla. Students

Twenty-four members of Insurance Society of University of Florida were guests of Jacksonville Insurors Assn. on a field trip to Jacksonville. The students visited several agencies to observe their operations and also made a trip to the Florida Inspection & Rating Bureau office.

Third Alabama Regional at Selma Jan. 24

To Alabama Assn. of Insurance will conduct the third in its current series of regional meetings Jan. 24 at Selma. C. W. Hooper, Selma, is to preside, and C. B. Heintz of Selma, president of the state association, will give the welcoming address.

Alabama Fieldmen's Assn. public relations division will present a panel on reporting form contracts with Gus Felger of America Fore as moderator. There will be a discussion of the new Alabama motor vehicle responsibility law, and S. E. Southard, manager of the assigned risk plan, will talk briefly.

Previous regionals have been held at Decatur and Gadsden.

Payne Joins Brown Reciprocals

Frederick D. Payne has joined the engineering department of the Ernest W. Brown reciprocals in Illinois and Wisconsin. Mr. Payne formerly was in the Illinois field with Phoenix of London and more recently was with the Illinois department. His headquarters will be at 5326 Cornell avenue, Chicago.

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Savings Banks Insurance Buyers Hear Acker Discuss Fringe, Broad Coverages

NEW YORK — So-called fringe coverages in the area of the O. L. & T. policy were discussed by Milton Acker, National Bureau of Casualty Underwriters, at the December meeting of Savings Banks Insurance Forum here. The buyers had expressed interest in several of these.

Mr. Acker noted that in connection with them it is necessary to answer two questions: Is the hazard covered and does such coverage cost an additional premium?

Banks sponsor some athletic and sports activities. These are covered if the activities are incidental to the operations of the bank. Whether there is a premium charge depends on the number of persons engaged in such activities, he said. Generally, if they are regularly employed by insured there is no charge; if they are not employees, the charge probably is nominal, depending on several factors including the amount of control exercised by insured over their activities. He doubted if many savings banks sponsor independent teams.

Signs Off Premises

Advertising signs away from bank premises is another item in connection with which the question of coverage arises. If the sign is on the premises, it is covered under the basic policy and there is no premium charge. If it is located away from the premises, there is an additional premium, depending on the location, nature and size of the sign.

Picnics and outings are covered, though there is a nominal additional premium.

Probably commercial banks have exhibits or booths away from premises occasionally but Mr. Acker doubted if savings banks very often have. There is an additional charge for this hazard because it is not a normal one contemplated in the basic policy.

He added products liability as one hazard of which the savings banks may not be aware, and suggested that though it is remote there is still a possibility of liability arising in connection with the use of calendars, pencils, etc. The moment these are distributed and leave the possession of the bank there is some potential liability. For example, there may be a rough metal edge on which a person not connected with the bank cuts a finger. Products liability is basically excluded from the O. L. & T. contract, but it is optional in the comprehensive general form. There is no fixed rate, but probably for the savings banks this would be a nominal amount. The hazard unquestionably is minor, but even an ordinary letter can result in a cut finger and there could be a claim with attendant cost of defense.

Protection for Personal Injury

There are available broader coverages in which savings banks may be interested, Mr. Acker said. There is, for example, coverage for personal injury as contrasted with bodily injury, covering such things as false arrest, libel, slander, discrimination, etc. Coverage may be afforded on an individual basis.

Banks sometimes have first aid rooms or clinics where they treat employees or even an occasional member of the public, and they may feel the need for malpractice liability insurance. Unless the basic policy is written on an occurrence basis there is no coverage; if it covers against occurrence, this is covered.

In addition, if an employee causes some injury to a third party, the personal liability of the employee is not included in the basic policy. The employer can buy coverage for this hazard, ordinarily at a nominal rate, though it is (a) rated.

He discussed the rising loss ratio in the office building-bank building classification, pointing out that it had climbed substantially in recent years. When rates were increased a year ago, the three

years used as a base showed that experience had worsened by about one-third on an area basis and about 50% on a frontage basis.

This worsening has been principally due to the fact that the premium base, area and frontage, is inflexible, but inflation has boosted the cost of liability claims very materially. On other lines, products liability, for example, where the premium is tied to sale of product, the price of the products have gone up with costs of liability insurance and insurer gets an additional premium. Not so with O. L. & T., where there must be rate adjustments to meet the problem. The companies still are far behind reality, he said, and the experience will be reviewed again in 1952 and there probably will be another increase in rates.

What about coin banks, which are given out in considerable numbers to depositors by savings banks? The bank has a number on each bank and keeps a record of it, the questioner pointed out, and if the depositor closes his account, the bank asks him for its return.

Mr. Acker said coverage depends on whether insured has relinquished possession of the article or retains ownership of it. If the latter, even in the case of such items as vending machines, the protection is there in the O. L. & T. insurance. If ownership is relinquished, then there is a products exposure.

In response to another question, he said that medical treatment of customers on the premises of the bank while not a serious exposure is always a possibility. What about employees administering first aid, perhaps too enthusiastically? He said that employees could be added as additional interests under the malpractice cover.

If a bank has comprehensive general liability on an occurrence basis, its malpractice hazard is covered but not the employee's liability risk. That could be added for not too much.

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Range of Insurance Stocks in 1951

Prepared by Howard W. Cornelius of Bacon, Whipple & Co., 135 S. La Salle St., Chicago. Quotations are approximate as of the last business day of each month.

	January	February	March	April	May	June	July	August	September	October	November	December
	Bid	Asked	Bid	Asked	Bid	Asked	Bid	Asked	Bid	Bid	Bid	Bid
Aetna Casualty	104 1/2	108 1/2	98 1/2	102 1/2	90 1/2	94 1/2	90 1/2	94 1/2	85	89	90	94
Aetna Fire	55 1/2	57 1/2	53 1/2	55 1/2	53	55	52 1/2	54 1/2	51	53	50	52
Aetna Life	65 1/2	68 1/2	67 1/2	69 1/2	68	70	68 1/2	70 1/2	67	69	68	70
American, Newark	20 1/2	21 1/2	20 1/2	21 1/2	20 1/2	21 1/2	20 1/2	22 1/2	19 1/2	21	19 1/2	20 1/2
Boston	57 1/2	59 1/2	54 1/2	56 1/2	54	56	56 1/2	58 1/2	59	61	60	62
Continental Assur.	97	99	102	104	100	103	101	104	108	112	109	115
Continental Cas.	67 1/2	68 1/2	66 1/2	67 1/2	65 1/2	68 1/2	63	65	64 1/2	66 1/2	64 1/2	68 1/2
Continental Ins.	64 1/2	65	65 1/2	66 1/2	68	69	67	67 1/2	66	68	68 1/2	67 1/2
Fidelity-Phenix	64 1/2	65 1/2	66 1/2	68	67	67 1/2	69	68 1/2	69	69 1/2	70	71
Firemen's, Newark	20 1/2	22	21	22 1/2	20 1/2	21 1/2	20 1/2	21 1/2	19 1/2	20 1/2	20 1/2	21 1/2
Glens Falls	53 1/2	55 1/2	53	55 1/2	52	54 1/2	54	56 1/2	55 1/2	57	56	58
Great American	31 1/2	33 1/2	33 1/2	34 1/2	33	34 1/2	34	35 1/2	33	34 1/2	33	34 1/2
Hanover	32	34	33 1/2	35 1/2	31 1/2	33 1/2	33	35	32	34 1/2	33	35
Hartford Fire	124 1/2	128 1/2	122	126	125 1/2	129 1/2	128	132	127	131	124	128
Home	34 1/2	36 1/2	34 1/2	36 1/2	36 1/2	36 1/2	36	38	35	37	35	37
Ins. Co. No. Am.	124 1/2	126	128 1/2	128 1/2	129 1/2	131	139	140	*69	70	67 1/2	68
National Cas.	32 1/2	35 1/2	33	35 1/2	32 1/2	35	33 1/2	36	32 1/2	35	32 1/2	35
National Fire	58 1/2	60 1/2	60 1/2	62 1/2	59	61	58	60	56	58	55 1/2	61 1/2
North River	26	27 1/2	26 1/2	27 1/2	26 1/2	28	26 1/2	27 1/2	25 1/2	26 1/2	26 1/2	27 1/2
Phoenix, Conn.	78	82	79 1/2	83 1/2	76	80	75	79	77	81	78	82
Prov. Washington	29 1/2	30 1/2	30	31	29 1/2	30	29	30	26 1/2	27 1/2	27	28
St. Paul F. & M.	130	134	122 1/2	125	124	128	132 1/2	134 1/2	128	132	140	144
Security, Conn.	33	35	33 1/2	35 1/2	34	36	34 1/2	36 1/2	33 1/2	34 1/2	33 1/2	34 1/2
Springfield F. & M.	43	45	44	46	44 1/2	46 1/2	44 1/2	46 1/2	45 1/2	47 1/2	44	46
Travelers	520	535	550	565	583	598	560	575	530	545	565	580

*Split 2 for 1. †Split 4 for 1.

General Casualty of Wis. Restricts Iowa Auto Writings

Commissioner Fischer has announced the hearing on limiting automobile coverages in Iowa will be resumed Jan. 10. The department held a hearing Nov. 27 but Mr. Fischer agreed to withhold his prohibition of endorsements which limited the coverages to the insured and his immediate family until a committee of company representatives could present a uniform plan.

General Casualty of Wisconsin has announced it will write no new auto insurance in Iowa for students under 25 or servicemen.

Commissioner Fischer of Iowa announced several months ago the de-

partment would not approve endorsements which limit coverage to the named assured and members of his immediate family.

General Casualty will accept no new business on servicemen regardless of age.

"Where we have an insured serviceman on the books, over age 25 and married, we will continue on the risk on his entry into the service so long as the experience continues to be favorable," the company announced. "Where insured is under 25, it will not be possible to continue his coverage, regardless of whether he is married or single."

The company will not insure for the first time a student under 25, regardless of whether he is married or single. Past experience will be checked closely before renewing a student's insurance.

Heavy Snow Spotlights Collapse Feature of A. E. C.

The unusually heavy snow fall in the middlewestern states in the last few weeks has given some additional sales ammunition to those agents who have been pushing the additional extended coverage endorsement. A good number of garage roofs have collapsed from the weight of snow, and some porch roofs also have taken a tumble. The A. E. C. endorsement, subject to the \$50 deductible, pays for these losses, and for the most part, they are substantial.

Sales activity on this coverage has been spotty at best, and the companies are suffering very little if any, from the snow hazard. On the other hand, atten-

tion has been drawn to the risk, and those agents who are alert to take advantage of the sales opportunities presented by the events of the day might be wise to re-circularize their clients, circling in red that portion of the explanation of the A. E. C. which mentions the collapse coverage.

One hazard which is not covered by this endorsement, and about which there have been a number of inquiries to company loss departments, is backing up of ice under shingles, splitting the shingles so that they fall off in the merest breeze. This situation comes about because of the great amount of snow on the roof. When it melts it cannot all be carried off down the drain pipes and consequently is forced back up on the roof.



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Teachers View Own, Business Problems

(CONTINUED FROM PAGE 1)

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them and know where to get help with them."

He disagreed with Mr. Irwin, that the teacher should have practical insurance experience; he should have knowledge and enthusiasm for insurance plus teaching.

Mr. Graebner also disagreed with Mr. Irwin on this point. Insurance is not an easy thing to get into the school curriculum, he went on. Transportation, credits, purchasing, statistics, accounting—all want courses made requirements for students of business.

How Teachers Can Help

What can teachers do to help? Mr. Graebner said they can work with schools that do not have an insurance program. They can work with teacher groups, with students in teachers colleges, etc., and utilize speakers from organizations to help the cause along.

They can check textbooks for material on insurance, books not labeled insurance, such as those on economics, finance, etc. Quite a few schools do not teach insurance, he said, or, if they do, they do so quite casually or incidentally in courses on economics, real estate, credit, and even home economics. Teachers can work more closely with their local public school systems, to get insurance courses established there.

What can the insurance business itself do? Mr. Graebner said the business is quite willing to help but he thinks teachers should be careful what they ask the business to do. The conduct of the business itself has a good deal of effect. Recently the group insurance program at his university was changed. Two members of the faculty underwent operations; the insurance did not cover them. Instead of sending someone to explain, declination of coverage went out in a cold, one line letter. The effect was bad. In another instance a teacher was involved in an automobile accident. The adjuster tried to bargain with him in settling the case. Again the effect was bad.

TALK ON A. & H.

With the number of companies newly entering accident and health, especially the individual field, the outsider might think A. & H. has been a neglected line, Mr. Miller commented. However, more than 400 companies and associations have been writing individual A. & H. coverages, many of them for years. He cited the tremendous growth of the business, particularly in recent years, and the causes, including the fact that rising taxation makes people more dependent on income.

Mr. Miller believes the two most significant developments in A. & H. since 1930 have been liberalizations of coverage and claim settlements and the development of broader benefits in hospitalization and surgical programs and their extension to insured's dependents.

He noted that in 1930 one company excluded from its policy self inflicted injuries, aquatic accidents, injuries while intoxicated, etc. Today only one of these exclusions, war, is left.

Peculiarities of A. & H.

He pointed out the many peculiar characteristics of A. & H., its notable lack of standardization, for example. He wonders if the coinsurance feature in the new catastrophe plans provides adequate control; it must if such plans are to have a successful future. On schedule type contracts, limitations in the policies provide this control.

A. & H. originally was regarded as a casualty line, he said. As more and more life companies entered the field it has become predominantly a line sold by life companies—70% in 1950, and this percentage will increase.

A. & H. and life insurance protect

personal and family incomes, but there are a lot of differences in their characteristics, in administrations, for one. The premium for A. & H. is small compared with that for life. This is necessarily so because of the constant and real danger of overinsurance in A. & H.

Conservation of A. & H. business is more difficult, the lapse rate is substantially higher than in life. This may be due to the absence of a savings feature and the belief of insured that he can easily replace A. & H. This is so even though there are distinct advantages to keeping A. & H. in force—many policies have waiting periods; many become incontestable after a time, etc.

Can Build Good or Ill Will

The great frequency of A. & H. claims provides the A. & H. insurer with a real opportunity to build good—or ill—will, so that the administration of claims is very important.

In writing A. & H. the economic factor is very important—the relation of earnings to amount written. Overinsurance is one of the chief dangers of underwriting A. & H.

Substandard A. & H. underwriting is receiving increased attention, Mr. Miller said. Risks previously declined are being underwritten. The company excludes by rider a condition with a history, or it writes a hazardous risk at an increased rate.

It takes imagination, and prudence, to write A. & H. business successfully.

Overoptimistic About Market

He thinks there is currently some overoptimism about the market for A. & H. Insured can afford overinsurance because of its cost, and he doesn't have to die to collect. This creates a definite limitation on the market for A. & H.

He believes competition will grow keener for the business. Companies entering the field currently, if they expect to spend time, effort and money, and afford new types of benefits or tap new markets, can make a real contribution to the business.

Can permanent, total sickness disability be written with no limitation on period of payment? Mr. Miller was asked. He said there is not a categorical answer. Some life companies are writing disability of that kind, but after the very bad experience of the depression, they cut the amount from \$10 to \$5 per \$1,000 and increased the premiums. So it is being done, within limits. He doubts if it can be done for the whole population.

Can't Reward for Disablement

Such benefits are not necessarily what the public needs, he added. His company writes non-cancellable A. & H., but limits the payment period, and this has come to believe may be the best type of disability program. If insured knows he is going to get so much a week, medical and hospital bills paid, etc., he has security plus a goal for getting well or becoming rehabilitated. Such a program takes care of 99% plus of the cases. If insured is paid enough and forever, he is being rewarded for continued disablement. A tiny percentage of the population is left that can-

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Has any increase in dental care and surgery been heard of

Fellowship

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Mr. H. committee has been nies and a undertake Where fe this mig A.A.U.T. idea.

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not be rehabilitated, but even so the program is better than creating a large class of permanently disabled, who are certainly a charge on the public, one way or another. There are good rehabilitation programs today, with assistance for the disabled needy being furnished by the government.

Is any thought being given a medical care annuity, paid up at 65, with benefits available but no premium payable thereafter, he was asked. He had not heard of it but it sounds like a distinct possibility. More attention is being paid older age coverage; for example, companies are willing to continue coverage for workers, if the employer will continue the premiums.

Has any inquiry been made into what increase in costs of medical and hospital care has resulted from hospital and surgical insurance plans? Mr. Miller has heard of none; perhaps it cannot be measured.

Fellowships Popular

The 1951 program of summer fellowships for insurance teachers was quite successful, the reports at the teachers' business meeting brought out. These were made by Dean Harry J. Loman, University of Pennsylvania, and Mr. Ackerman, who is chairman of the coordinating committee. A number of life, fire and casualty companies participated and are enthusiastic about the results, as are the fellows, Mr. Ackerman said.

Among suggestions for improving the program was one to include a reinsurance company in the program, to have trade association fellowships (National Board, Assn. of Casualty & Surety Companies, American Mutual Alliance, etc.), to be able to attend executive conferences and directors' meetings, etc.

In the first program more companies offered to take fellows than fellows desiring to participate, but in the future, so successful has it been this is not expected to be the case.

Mr. Hedges made a report for the committee on research. Mr. Gaumnitz has been approached, he said, by companies and associations to have the schools undertake certain items of research. Where feasible, Mr. Hedges suggested, this might be done. Members of A.A.U.T.I. will be canvassed on the idea.

Insurance in the Curriculum

Hampton H. Irwin, insurance professor at Wayne University of Detroit, spoke on "Introducing and Developing Insurance in a Curriculum." He made the points that the success of an insurance course depends largely on the ability to sell to administrative officers and present and prospective students and colleagues the concept of insurance as a subject interwoven into every branch of business, and meeting satisfactorily certain procedural conditions particularly with respect to adequately trained and experienced teachers, and with respect to adequate business opportunities for insurance graduates.

Multiple Line Issues Reviewed

(CONTINUED FROM PAGE 1)

an instinctive reliance upon the appropriateness of the terms of coverage offered for sale. A bank making a mortgage loan finds it sufficient merely to stipulate that "fire and extended coverage insurance" shall be obtained, without needing to elaborate. The degree of standardization which has been achieved in the insurance business is, he believes, one of its chief attributes and one of its great accomplishments in the public interest which should be carefully preserved for the future.

In the new trend toward multi-peril policies there is a danger that the common garden variety of insurance which the public has found so acceptable for its needs will disappear and in its place substituted a varied assortment of new forms of coverage which will confuse and confound both policyholders and

those who advance money in reliance upon adequate insurance protection. This does not mean that the business should not strive to improve its forms of coverage or that it should not keep pace with the changing needs of the policyholders even to the point of developing broad multi-peril forms of coverage, combining both fire and casualty insurance. But it should not mistake mere change for progress, nor be deceived into abandoning that characteristic stability which has been one of the pillars supporting the insurance structure in this country. The move toward the adoption of multi-peril policy forms should be an orderly one through established rating organizations so that the final product will become standardized and will be accepted by the public as such.

Doesn't Eliminate Competition

Mr. Johnson does not believe concerted activity in developing standardized forms of coverage results in elimination of competition or creates an unwholesome business atmosphere. Standardization in insurance differs only in slight degree from the product standardization which exists in certain manufacturing lines. He cited the example of the rubber manufacturing companies which even during the postwar period

have continued to purchase raw rubber from the government which still acts as the central distributor, selling the raw rubber at a uniform price to all customers. The result of this has been to remove from the rubber manufacturing field what was formerly one of its most competitive aspects, competition in acquisition of raw rubber which for many years was subject to great price fluctuation. The removal of this single element of competition has not made the rubber manufacturing business, when viewed as a whole, any less competitive since the remaining elements of competition have been intensified all the more, chiefly competition in the expense of manufacture and in the reputation of the manufactured product.

The product an insurer sells is an indemnity which is manufactured of certain raw materials, chiefly the collective loss experience for the class of business affected, making this raw material cost virtually the same for all—just as in the case of the rubber manufacturers. But there remains intense competition in the expense of manufacture, in insurance the expense incurred by a company in issuing and servicing the indemnity.

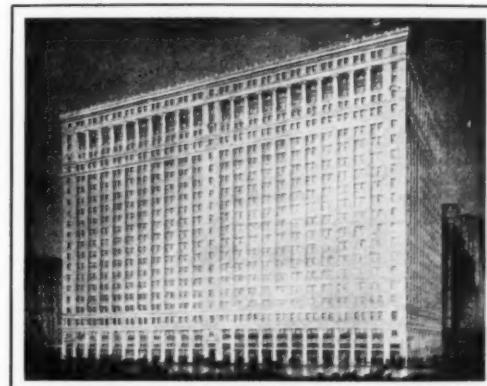
One of the greatest tributes which the policy-buying public unconsciously pays to the insurance business is its

willingness to accept the product sold sight unseen. The policyholder can examine the policy and make further inquiry through his agent as to the scope of its contents—but the tribute arises out of the fact that the average policyholder does not feel it necessary to do so and is willing to rely upon that degree of standardization which he has come to accept without doubt or question. This, Mr. Johnson believes to be the strongest bulwark against government intrusion into the business.

Questions and Answers

Isn't the multi-peril policy likely to include more than insured thinks he needs? Mr. Johnson was asked. Yes, and this is another practical obstacle to the development of such forms, he said.

In answer to another question he said the separateness of fire and casualty rating is a problem. His organization favors and thinks there is needed a national fire rating organization. To a limited extent, through liaison between casualty and fire rate bureaus, national rating has been done with the burglary endorsement and the A.E.C. It is possible to have a fire-casualty form, indivisible, with computing done by separate organizations, but it would be vastly simpler if there were one.



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NEWS OF FIELD MEN

New Hampshire Splits Ind. Field: Names Blackard, Goldman State Agents

New Hampshire Fire group is splitting the Indiana territory, and Clyde W. Blackard, who has been state agent for Indiana since 1923, will supervise the southern half of the state, and John M. Goldman has been appointed state agent in northern Indiana. Both will have headquarters in the Chamber of Commerce building, Indianapolis.

Mr. Goldman, after returning from army duty overseas in 1946, went with Indiana Audit Bureau until 1949 when he joined Travelers, with which he has been field supervisor at Indianapolis.

H. C. Gregg Named in Ind.

Howard C. Gregg has been named special agent in Ohio for American Eagle and Niagara of America Fore group, assisting H. L. Darling, state agent, with headquarters at Columbus. Mr. Gregg has an insurance background

of office, field and adjusting work. He is the son of H. F. Gregg, regional manager at Chicago of Royal-Liverpool group.

Leo B. Miller Becomes Local Agent at Detroit

Leo B. Miller, Michigan state agent for the Mesoerole group, has purchased the Edwin B. Snow agency of Detroit and has opened offices at 803 Fox Theater building, Detroit, operating as the Miller-Snow agency.

Mr. Miller graduated in fire protection engineering from Illinois Institute of Technology in 1928. After eight years with Michigan Inspection Bureau, he went with Corroon & Reynolds in 1936 as special agent and engineer. He joined the Mesoerole group in 1938 as state agent.

A son, Jack, graduated from Illinois Institute last year and is with Michigan Inspection Bureau at Kalamazoo.

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Picnot Adjustment Co., guardian; Sid Cunningham, American General, keeper, and William Lawrence, Home, wielder.

Bray Travelers Charlotte Manager, Others Named

Several changes have been announced by Travelers Fire.

Richard V. Bray, formerly assistant manager at Los Angeles, has been promoted to manager at Charlotte.

Two field super-

visors have been promoted to assistant managers. They are Robert H. Butler at Boston and Herbert J. Kimm at Minneapolis.



R. V. Bray

Richard A. Beardsley, and Peter W. Popeno, unassigned field supervisors, have been appointed at Richmond, Va., and Kansas City, respectively.

William C. Wagoner, field supervisor at Buffalo, has moved his headquarters to Rochester, N. Y.

Miller in Agency Business

Leo B. Miller, state agent in Michigan for Bankers & Shippers from headquarters at Detroit, has resigned to enter the local agency business. A successor has not yet been appointed.

Jennings Farm, Hail Special

Albert L. Jennings has been appointed farm and hail special agent in Iowa by National Fire. He is an army veteran and began his insurance career with the Hunt agency at Woodbine, Ia., and more recently has been with the Farm Bureau as organization director.

DeMouche Joins American

Tom L. DeMouche, formerly with Traders & General four years, and more recently state agent for Mid-Continent, has resigned that post to become special agent of American in south central Texas, with headquarters at Corpus Christi.

Alamo Field Club Elects

Alamo Field Club, San Antonio, has elected these officers: George J. Henry, Royal-Liverpool, president; P. J. McLeomore, Fireman's Fund, vice-president; Joe Hoileran, Trinity Universal, secretary.

Butters Named in Maine

Sterling L. Butters has been appointed special agent for Royal Exchange group in Maine, succeeding Robinson Cook. Mr. Butters formerly was with the schedule rating department of New England Fire Insurance Rating Assn.

Tolman to Agency Ranks

Walter F. Tolman, who has been in the Connecticut field for Fireman's Fund, has joined the Mason local agency at Keene, N. H. Mr. Tolman started with Fireman's Fund in 1938 and in 1947 was named special agent for New Hampshire and Vermont. He transferred to the Connecticut field last July.

Brown to America Fore in O.

American Eagle and Niagara of the America Fore group have appointed Clarence D. Brown, Jr., as special agent in Ohio with headquarters at Cleveland.

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He will assist Ray T. Wagner, state agent. Mr. Brown has been in the Ohio field for many years.

Ohioans to Choose Site

COLUMBUS, O.—Members of Ohio field club are being polled as to whether they wish to meet at Cedar Point, O., or Uniontown, Pa. The annual meeting will be held June 17-19, 1952.

Film Shown at Frankfort

"Introducing the Policyman," the Western Underwriters Assn. film, was shown before Commissioner Southall of Kentucky at Frankfort. The program was presented by Curtis B. Tarter, Home, Louisville, chairman of the Kentucky public relations committee.

Renker Named in Michigan

Commercial Union has appointed Harry E. Renker, Jr., special agent at Jackson, Mich. He will assist State Agent H. M. Johnson.

Mr. Renker is a navy veteran and was formerly with Michigan Inspection Bureau.

Smoke & Cinder Club Elects

Smoke & Cinder Club of Western Pennsylvania has elected these officers: President, Gordon C. Waters, Agricultural; vice-president, J. J. Such, Automobile; secretary, John H. Moller, America Fore; treasurer, Gilbert V. Williams, American.

St. Paul Ups Schumacher

Carl J. Schumacher has been appointed Louisiana state agent for St. Paul F. & M., succeeding James L. Treville, who is retiring. Mr. Schumacher has been special agent there for many years.

COMPANIES

Niebaum Retires, Fiand Is Successor

Elmer P. Niebaum, manager of the Allegheny department of Crum & Forster at Pittsburgh, has retired under the company's pension plan. He is succeeded by William C. Fiand, formerly assistant manager. Leo S. Schober of the underwriting and agency department has been advanced to assistant manager.

Mr. Niebaum has been with the Crum & Forster group for many years and served as president of Allemannia Fire until it was merged with United States Fire last year. Mr. Fiand, also with the company for several years, formerly was treasurer of Allemannia.

North British Appoints

Meyer N. E. General Agent

Raymond O. Meyer has been advanced from supervisor to general agent of the New England department at the home office of North British.

Mr. Meyer for 30 years has been in the New England department.

Phoenix-London Ups Davies; von der Lieth Retires

Harry von der Lieth, assistant secretary of the fire companies of the Phoenix-London group, retired, at his own request, Dec. 31, after long service with the group.

Mr. von der Lieth started in 1905 with North British. He joined Phoenix in 1912 in the special risks department and in 1914 was sent to Boston as special agent for Massachusetts, Rhode Island and Connecticut.

After service in the first world war, he returned to the group in 1919 and was appointed superintendent of the special risks department at Chicago. In

1921 he returned to New York as general agent in charge of the eastern department and was appointed assistant secretary in 1938.

Mr. von der Lieth has been a member of the rating methods research committee of Eastern Underwriters Assn. for a number of years, is an honorary member of the New England Exchange, has served as president of New York Suburban Exchange, chairman of Western Sprinkler Leakage Conference and on other important committees.

D. H. Davies, assistant secretary, succeeds him in charge of the eastern department. He joined the group in 1934 as superintendent of the inland marine department and in 1944 was appointed assistant secretary of all companies in the group in charge of inland marine, burglary and plate glass.

Evers Named Comptroller

Mark Evers has been appointed comptroller of Chubb & Son. He was elected assistant vice-president of Federal, Vigilant and United States Guarantee of the Chubb & Son group.

Mr. Evers has been with the company since 1907 and for 10 years has been chief accountant.

Fireman's Fund has declared a quarterly dividend of 40c per share payable Jan. 15 to stock of record Dec. 31.

NEW YORK

TUTTLE BROOKLYN SPEAKER

Brooklyn Insurance Brokers Assn. was scheduled to hear David K. Tuttle, Brooklyn agency head, discuss various aspects of inland marine coverage at its Jan. 3 luncheon.

HALL & HENSHAW ENLARGES

The Hall & Henshaw general agency at New York City is now operating

from new and enlarged quarters. The new building accommodates on four floors the agency's 100 employees. It has been modernized along Colonial architectural style. This was the fifth move to larger quarters in the agency's 62-year history.

after four years of army service. He has been in the field. Mr. Kornblith also joined in 1946, and has been in the field.

Election of Mr. Loeb, Jr., marks the third generation to hold office in the company, which was founded in 1902.

CHICAGO

Johnson Succeeds H. M. Loeb As Eliel & Loeb President

Harry G. Johnson has been elected president of the Eliel & Loeb Co. agency at Chicago succeeding Hamilton M. Loeb, who remains chairman. Mr. Johnson started with the company in 1917 and has held various supervisory posts.

Mr. Loeb started with Crum & Forster in 1918 and a year later joined Eliel & Loeb at New York. He returned to Chicago in 1920 and in 1922 was elected vice-president. He became president in 1942 upon the death of his father, Jacob M. Loeb. He is a past chairman of the Chicago Insurance Agents Assn., a past president of the Chicago Board, and has been a leader in Chicago insurance activities.

Rudolph F. Wandke and Walter M. Trauten were elected vice-presidents; Hamilton M. Loeb, Jr., secretary, and Edward F. Kornblith, treasurer.

Mr. Wandke joined the company in 1917 and has been secretary. Mr. Trauten started with the agency in 1939 and has been assistant secretary. Mr. Loeb, Jr., joined the company in 1946



H. M. Loeb, Sr.

MARINE NEWS

Toomey to New Hampshire

New Hampshire Fire group has named Joseph A. Toomey to assist in production and underwriting of inland marine business in the middlewest. His headquarters will be with the western marine department at 309 West Jackson boulevard, Chicago.

Mr. Toomey has had inland marine experience with Millers National and Fire Association at Chicago.

Atlantic Shifts Field Men

Atlantic Mutual has appointed David E. Watson special agent at Pittsburgh. He has been with Atlantic since 1947 as assistant underwriter in the inland marine department at the home office. Herman C. Morreale has been transferred from Pittsburgh to special agent in New York suburban territory. He joined Atlantic in 1948 and has served in the home office inland marine underwriting department and as special agent at Pittsburgh.

Joins Marine Group

Carl E. McDowell, formerly associate professor of the Stanford graduate school of business, has joined the American Institute of Marine Underwriters, Assn. of Marine Underwriters of the United States and Board of Underwriters of New York as executive vice-president with headquarters at New York City.

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EDITORIAL COMMENT

Hats Off to the A.E.C. Pioneers

A lift has been given to those agents with the falconiform shoulders caused by carrying the heavy banner of fire insurance progress. Some of the producers who had enough faith in company promises that the additional extended coverage endorsement would be the forerunner of a truly all-risk coverage, providing enough is sold to enable the statistical wizards to get their slide rules in action, are being well rewarded.

Last week when the yardstick was applied to snow in the Chicago area it was found to be 12 inches too short. Snow in other areas has been equally plentiful. It is of the heavy variety, too. In Chicago, as well as in other areas, there have been several cases where the 48-inch snow accumulation has collapsed garage and outbuilding roofs. This damage, of course, is one of the hazards covered by the A.E.C.

When this broader E.C. form was introduced there were vociferous agent protests as to its inadequacy. After assurances that this was the first of several forward steps, the protest subsided to whimperings, with only a sprinkling of voices, however, acclaiming the project. Finally some of the producer organizations, realizing that an honest effort was being made to give the home owner a comprehensive policy, urged members to do everything possible to popularize the A.E.C. so that creditable experience figures could be obtained.

The progress-minded agents followed these urgings and convinced many of their clients that A.E.C. was a good buy. They naturally didn't sell it on the basis of "if you buy this now, later I can sell you something better"; rather, they sold it on merit and reasonableness of

price. Now they find themselves in the comfortable position of being able to submit claims for roof collapse caused by snow.

Those agents who have held out for "all or nothing at all" might well find they have a difficult job of explaining to clients why their policies do not cover roof collapse when the coverage is included in the policy of the man right next door.

Considerable effort was expended by the agent who solicited clients for the A.E.C., and with only a negligible commission return. He did it as a service to the assured, both immediately and in the future. He realized that the sooner the A.E.C. ball got rolling, the sooner would it snowball into the kind of protection he wants to be able to offer his clients. He did it, too, as a service to the business, knowing that companies are as anxious as agents to establish the all-risk policy but can do so only by first wetting the big toe to find out what the temperature is. All in all, the agent motivations appear to have been altruistic. Sure, he'll benefit eventually. But think how much sooner, and cheaper, he could benefit if every agent would get behind the A.E.C. movement.

The extremely heavy snow has changed the picture. Instead of a rather nebulous benefit, the agent who diligently backed A.E.C. now has the satisfaction of telling his clients that roof collapse caused by snow is covered, thereby gaining the added confidence of assured and perhaps even gaining the business of the man who didn't have A.E.C. And the good will resulting from the payment of these claims will benefit the entire business.

Insurance Has to be Sold

Insurance is not something that all the people will voluntarily buy to any great extent. Now and then someone may feel the need of protection, especially along property lines. It is seldom that he seeks to add to his personal insurance. Therefore in all lines of insurance the salesman is needed. The business of insurance has grown in this

country because of field workers who were out on the firing line, telling the people about various forms of insurance and what they do. It is the salesmen of insurance that are responsible for its tremendous strides and its expanded facilities. Too much credit, therefore, cannot be given to the men who do the contacting with insurance buyers.

Positive Attitude Desirable

Much is to be gained by taking a positive attitude toward one's task or whatever engrosses his mind. Negation is usually a weakening process. The man who works as if he were to live forever and lives as if he were to die

tomorrow continues to get the fullness of all that interests him. Health is often regained through this positive attitude. Victory is achieved and problems are solved by such constructive action.

The NATIONAL UNDERWRITER
Published every Thursday by
The National Underwriter Company
PUBLICATION OFFICE:
175 W. Jackson Blvd., Chicago 4, Ill.
BUSINESS OFFICE:
420 E. Fourth St., Cincinnati 2, Ohio

Editor: Kenneth O. Force.
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Teletype CG-654



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PITTSBURGH 22, PA.—503 Columbia Bldg., Tel. Court 1-2494. Jack Verde Stroup, Resident Manager.

SAN FRANCISCO 4, CAL.—507 Flatiron Bldg., Tel. Exbrook 2-3054. F. W. Bland, Pacific Coast Manager.

PERSONALS

Bruce Dodson, the Kansas City reciprocal operator, has added to his yachting facilities in the form of a 42-foot cruiser which he keeps at the Flamingo docks at Miami Beach along with his 100-ft. ship—the Helma. The latter incidentally is also the name of his railroad car.

Thomas E. Braniff, president of the T. E. Braniff Co. agency at Oklahoma City, has been elected a trustee of Institute of International Education, supervisor of educational programs for various government and private agencies.

W. L. Stiles, past president of the San Antonio Insurance Exchange and Texas Assn. of Insurance Agents, who has been confined to his home, is reported to be improving. He is one of the few living charter members of the Texas association.

Patricia Pennington, the daughter of Reed Pennington, Denver general agent and Mrs. Pennington, was married to Robert J. Bricke. Both are students at University of Colorado at Boulder. She is a senior in journalism and he is studying for a master's degree in sociology. They had a wedding trip by air to Cuba over the holidays, returning had a few days with the Penningtons who are vacationing at Ft. Lauderdale, Fla.

Neville Pilling, U. S. manager of Zurich, spent the Christmas holidays with his son and grandchildren at Orlando, Fla.

Ellis H. Carson, president of National Surety, used on his season greeting cards a "Christmas over Manhattan" scene depicting the company's Downtown Manhattan home office roof garden. The snow-covered garden stands out in sharp relief from the blue background of other skyscraper office buildings.

Roy A. MacDonald, assistant director of Health & Accident Underwriters Conference, in the next three months will lecture on accident and health insurance at four universities in the middle-west. During the week of Jan. 8, Mr. MacDonald will be at Fenn College, Cleveland, for three days, and in February and March he will lecture at Michigan State College, Washington University of St. Louis, and Kansas University.

Herbert B. Thompson, recently named first deputy commissioner of the Michigan department, is returning to his desk late this week after a brief honeymoon trip to Texas with his new bride, Mrs. Margaret Francis, a department employee for some five years. The new Mrs. Thompson has been supervisor of filing.

Burt Bulletin Editor

Willard S. Burt has been appointed editor of The Bulletin, company publication of American Surety. He joined the company in September and previously had several years experience in the advertising and publishing field.

United Advances Clarke

J. J. Clarke, personnel supervisor of United of Chicago, has been promoted to assistant secretary. He has been with the company for three years.

DEATHS

E. STERLING FREEMAN, 81, retired since 1940 as state agent in Iowa and Nebraska for Agricultural, died at his home at Omaha. Mr. Freeman started in insurance in 1887 with the Duns & Alline agency at LeMars, Ia., later going with the W. Del Freeman agency at Fremont, Neb., operated at that time by his father. He joined North British & Mercantile in 1891 at Omaha and two years later was named special agent for Iowa, Nebraska and the Dakotas. The following year he was transferred to the western department at Chicago and in 1899 joined Milwaukee Mechanics as state agent in Iowa and Nebraska. He went with Agricultural in 1907. Extremely active in insurance organization affairs, Mr. Freeman had been serving as secretary of Nebraska Fire Underwriters Assn. since 1931. He was president of that group the previous year. He also was active in fire prevention associations in Iowa, Nebraska and Minnesota, was most loyal gander of Iowa Blue Goose in 1912, and was a life member and served as vice-president of Fire Underwriters Assn. of the Northwest. He went to San Francisco temporarily in 1906 to adjust losses after the earthquake there.

JOHN D. SAINT, 63, manager of the insurance department of Latter & Blum at New Orleans and for many years active in the work of agents' associations, died. Mr. Saint served as special agent for the Godchaux & Mayer general agency at New Orleans until he went with the Percy agency at Baton Rouge. In 1926 he became a member of the first



JOHN D. SAINT

Louisiana Insurance Commission when fire insurance rates became mandatory in the state. He then was appointed the first salaried manager of Louisiana Assn. of Insurance Agents, in 1933 became manager of the North Carolina association, and subsequently was manager of the Tennessee and Oklahoma associations.

EMMET M. MYERS, 83, retired vice-president of Fidelity & Deposit at St. Louis, died of pneumonia in a hospital there, to which he had been taken

after injury home. M. in the early of America joined Fire manager Wendling as Myers, later as Myers, D. Gees being In 1932 vice-president also of A. in 1947.

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after injuring a hip in a fall at his home. Mr. Myers, known as dean of the surety business at St. Louis, started in the early 1910s as St. Louis manager of American Surety. About 1919 he joined Fidelity & Deposit as associate manager at St. Louis with George Wendling. The agency then was known as Myers & Wendling. Several years later this agency was succeeded by Myers, Doenges & Co., Fred H. Doenges being the other member of the firm. In 1932 Mr. Myers was appointed a vice-president of Fidelity & Deposit and also of American Bonding. He retired in 1947.

FRANK M. BACKES, 67, president of Stonewall Ins. Co. of Mobile, Ala., died at a hospital there. Mr. Backes had been with the company for 26 years, most of that time as president.

GLADYS MILLS EBNER, wife of Milton D. Ebner, executive vice-president of Dubuque Fire & Marine, died suddenly at her home at Dubuque, Ia.

JOHN C. RYAN, 48, adjuster at Utica, N. Y., for 17 years, died there after a long illness. He started in insurance with Globe & Rutgers at New York City. He was a past president of National Assn. of Independent Insurance Adjusters.

HARRY F. CARROLL, 71, a member of Eggert-Carroll agency, St. Louis, died after a long illness.

CHARLES H. HOLLAND, 73, prominent in New York and Philadelphia insurance circles until about 20 years ago when he went into the investment business, died at Boston. Early in his career he joined Royal in London and was later its manager for three years at Melbourne. In 1910 he came to the U. S. and founded Royal Indemnity. In 1922 he founded and headed Independence Indemnity of Philadelphia. He was a pioneer in aviation insurance.

JOHN H. CHESNEY, 72, owner of the J. L. Manring agency of Middletown, Ky., died after a long illness.

JOHN P. EVANS, partner in the Evans, Mills & Co. agency of Birmingham, Ala., died at a private hunting lodge near Selma, Ala. He had been in the insurance business since 1925.

THOMAS H. POLLOCK, 71, local agent at Wheeling, W. Va., died at Islamorada Key, Fla., where he had gone for the winter.

EDWARD F. KERNAN, president of the E. F. & J. S. Kerman agency at Utica, N. Y., died. He had been in insurance since 1903.

FRED A. RINGUEBERG, local agent at Lockport, N. Y., since 1908, died there on the eve of his 76th birthday. He was mayor of the city from 1946 to 1949.

ARTHUR S. MORGENTERN, 53, local agent at Seattle, died there suddenly of a heart attack. He started with the old H. E. Lippman & Co. agency there. He was a past president of the old Insurance Exchange of Seattle, which later became King County Insurance Assn.

MRS. GERTHED JOHNSON, 72, for half a century a local agent in Milwaukee, died after an extended illness.

Policy Covers Police for Third Party Liability

Policemen of Ashtabula, O., have obtained insurance in Royal Indemnity to protect them against judgments and to pay legal fees for claims arising out of performance of their duty. The coverage was worked out by a committee of Fraternal Order of Police with Robert A. Elder, Ashtabula agent. The policy costs \$10 a year, and there is rider for an additional \$10 which will protect the policeman while on the job to the extent of providing for legal talent if he is sued, and for payment of damages up to \$10,000 unless he is sued for assault and battery, in which case he will be defended, but must pay damages himself.

Ersch Named G.A.B. Manager

General Adjustment Bureau has appointed R. C. Ersch manager at Sherman, Tex., succeeding W. L. Furneaux, who has been transferred to New Orleans as manager. Mr. Ersch has been with G.A.B. since 1945.

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. LaSalle St., Chicago

Dec. 31, 1951

	Div.	Bid	Asked
Aetna Casualty	3.00	87	89
Aetna Fire	2.25*	53	54 1/2
Aetna Life	2.50*	80	82
American Alliance	1.50*	28 1/2	30
American Auto	2.00	38 1/2	40 1/2
American Equitable	1.50	25	26 1/2
American (N. J.)	1.00	21 1/2	23
American Surety	3.00	50 1/2	52 1/2
Boston	2.65*	62 1/2	64 1/2
Camden Fire	1.15*	20	21
Continental Casualty	2.50*	63 1/2	65
Fire Association	2.60	56 1/2	58
Fireman's Fund	1.60	55	57
Firemen's (N. J.)	.80	22 1/2	23 1/2
Glens Falls	2.40*	53	55
Globe & Republic	.80	12	12 1/2
Great American Fire	1.50*	33 1/2	35
Hanover Fire	1.60	32 1/2	34
Hartford Fire	3.00*	130	133
Home (N. Y.)	1.80	34 1/2	36
Ins. Co. of North Am.	2.50*	70 1/2	72 1/2
Maryland Casualty	1.00	20 1/4	21 1/4
Mass. Bonding	1.60	25	26 1/2
National Casualty	1.50*	27 1/2	30
National Fire	2.50*	57 1/2	59 1/2
National Union	1.60	35	36 1/2
New Amsterdam Cas.	1.50	32	34
New Hampshire	2.00	38	40
North River	1.20	29 1/4	31
Ohio Casualty	1.20	65	Bid
Phoenix, Conn.	3.00*	82	84
Prov. Wash.	1.50*	27 1/2	29
St. Paul F. & M.	.80	32 1/2	34
Security, Conn.	1.60	31	33
Springsfield F. & M.	2.00	43	45
Standard Accident	1.60	33 1/2	35
Travelers	14.00*	606	612
U. S. F. & G.	2.00	42	44
U. S. Fire	1.40	41	43

*Includes extras.

Compulsory Auto Bill to Be Introduced in Miss.

A compulsory automobile liability insurance bill will be introduced in the Mississippi legislature this month by Senator John Farese of Ashland, who has stated that he believes the people are now ready to accept such a law. The bill would call for \$5-\$10 limits with failure to purchase being punishable by a fine of not less than \$100 or more than \$500, or by imprisonment of not more than one year.

A similar bill was introduced by Farese in the last legislature and was tabbed "do not pass" by the senate insurance committee. Farese will be in the house in the next legislature.

\$40 Million Seattle Line

City Light of Seattle, anticipating sale of \$25 million of general obligation bonds Jan. 8, has added substantially to its insurance program. All stations are now insured against business interruption under a \$25 million blanket fire and extended coverage schedule. In addition, the plants are insured against fire and E. C. perils under a premises blanket form totaling \$15,825,000. Arranged through King County Insurance Assn., the insurance carried is 100% to value.

New San Antonio Officers

San Antonio Insurance Exchange has elected these officers: Gordon Friedrich, Sawtelle, Cary & McAllister, president; Carlos Coon, Browning, Coon, White & French, vice-president; Francis F. Ludolph, secretary-treasurer (39th consecutive year).

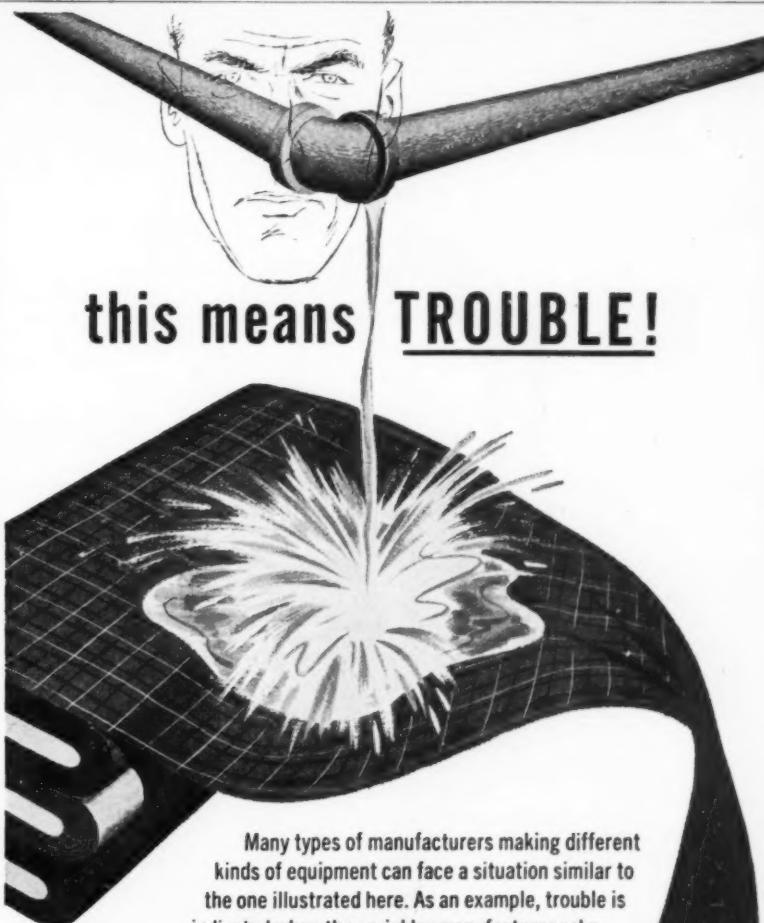
Owen Caldecleugh, John M. Coleman agency, reported that comments on the advertising program of the exchange, which stresses safety, had been favorable.

Elect at Charleston

Charleston (S. C.) Board of Insurance Underwriters has elected George F. Von Kolnitz, III, president to succeed E. L. Jagar. Robert C. Heffron was named vice-president, and Samuel E. Harvey was reelected secretary.

Ill. E.C. Hearing Deferred

At the request of the companies, the Illinois department has deferred the hearing on E.C., windstorm and hail rate revisions, originally scheduled for Jan. 10 to Jan. 31.



this means TROUBLE!

Many types of manufacturers making different kinds of equipment can face a situation similar to the one illustrated here. As an example, trouble is indicated when the sprinkler manufacturer asks—

"I manufacture automatic sprinkler heads and install my product on the premises of others. In undertaking one such installation, operations are suspended at the end of a working day to be resumed the next day. During the night a leak develops in a partially completed system and expensive material is damaged beyond use. Would I have coverage under my Manufacturers' Liability policy?"

This means TROUBLE... for YOU? Yes, if you don't know the answer to this and other general liability questions and if you haven't insured your manufacturer properly. Why risk that possibility when it's so easy to get your copy of the "General Liability True or False" from our Advertising Department.

100th ANNIVERSARY IN THE UNITED STATES-ROYAL INSURANCE COMPANY, LIMITED

ROYAL-LIVERPOOL Insurance Group

CASUALTY • FIRE • MARINE • SURETY
150 WILLIAM ST., NEW YORK 38, N. Y.

ROYAL INSURANCE COMPANY, LIMITED • ROYAL INDEMNITY COMPANY • AMERICAN & FOREIGN INSURANCE COMPANY • THE BRITISH & FOREIGN MARINE INSURANCE CO., LTD. • NEWARK INSURANCE COMPANY • QUEEN INSURANCE COMPANY OF AMERICA • THE LIVERPOOL & LONDON & GLOBE INSURANCE CO., LTD. • GLOBE INDEMNITY COMPANY • STAR INSURANCE COMPANY OF AMERICA • THAMES & MERSEY MARINE INSURANCE COMPANY, LTD. • VIRGINIA FIRE & MARINE INSURANCE COMPANY

THE NEW ZEALAND INSURANCE COMPANY LIMITED

William M. Houston — United States Manager

United States Head Office — San Francisco — since 1875

FIRE — MARINE — CASUALTY — AUTOMOBILE

"SERVICE BEYOND THE CONTRACT"



Picture of a

WESTERN SURETY AGENT

There are approximately 8500 of them—
all happy and contented.

Our aim—that there never shall be a
better bonding company than the Western
Surety Company.

WESTERN SURETY COMPANY

ONE OF AMERICA'S OLDEST BONDING COMPANIES

175 West Jackson Blvd.
Chicago, Illinois

1700 Commerce St.
Dallas 1, Texas

Sioux Falls
South Dakota

21 West 10th Street
Kansas City 6, Mo.

Prepare Card for Fire Conference at Memphis

The four-day program for the annual Fire Department Instructors' Conference at Memphis, Jan. 8-11, has been completed. This year the event is expected to attract more than 1,000 fire prevention experts.

There are a number of insurance men on the program headed by Richard E. Verner, fire prevention department manager of Western Actuarial Bureau, who has been a guiding spirit of the conference since its inception. Mr. Verner will give the introductory remarks. The meeting is sponsored by Western Actuarial Bureau and the Memphis fire department.

Other insurance people on the program include R. F. Hamm, Indiana Rating Bureau; Percy Bugbee, general manager of National Fire Protection Assn.; A. L. P. Schmeichel, West Virginia Inspection Bureau; M. I. Parker, Missouri Inspection Bureau; C. N. Clanton, Kansas Inspection Bureau; C. J. Setzer, Ohio Inspection Bureau; J. B. Wilkinson, Fire Insurance Rating Bureau of Milwaukee; Dale K. Auck, Federation of Mutual Fire Insurance Companies; Walter Plangman, Arkansas Inspection & Rating Bureau; H. H. Giddens, Employers Mutuals of Wausau; R. J. Vanderbeck, Eastern Underwriters Assn.; R. C. Steinmetz, Mutual Investigation Bureau; N. T. Ames, Oregon, Wis., local agent; H. E. Kuhlman, Oklahoma Inspection Bureau; George Tatnall, National Board; E. N. Davis, Underwriters Laboratories.

Mr. Verner is chairman of the conference and Emmett T. Cox, also of Western Actuarial Bureau, is vice-chairman.

Parker-Allston, Kirschner Advertising Agencies Effect Working Agreement

The insurance advertising agencies of Parker-Allston Associates, New York, and Kirschner & Co. of San Francisco and Los Angeles, have entered into a working agreement to provide coast-to-coast insurance advertising counsel and service.

Kirschner & Co., headed by Herbert H. Kirschner, is now in its 29th year and handles the advertising of 30 insurance companies and general agencies west of the Rocky Mountains. Mr. Kirschner is public relations counsel for Pacific Board and past president of both the San Francisco Advertising Club and Advertising Assn. of the West.

Parker-Allston Associates is now entering its 12th year and handles the advertising of 35 insurance companies and general agencies in the east. Raymond D. Parker, president, has been in the insurance business since 1910. His experience embraces home office, branch office, general agency, field representative, and department managerial duties. The 50th anniversary history of Insurance Society of New York which he wrote and produced won his agency nation-wide favorable publicity, while the Freedom Series which Parker-Allston created for Crum & Forster won the Freedom's Foundation gold medal and 4th place cash award in competition with all types of business.

No change of management in the two agencies is involved. Rather, each will operate as the western or eastern department of the other, although there will be cooperation in planning nationwide campaigns for their clients.

Canada Independents Elect

D. L. Cameron, Northwest Casualty, has been elected chairman of Western Canada Independent Automobile Insurance Conference. Vice-chairman is E. Cote, Halifax; treasurer, R. B. Plante, Halifax, and secretary, M. R. Ivey, Gore, District Mutual.

WANT ADS

Rates \$13 per inch per insertion—1 inch minimum. Limit—40 words per inch. Deadline 5 P. M. Monday in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER
FIRE & CASUALTY EDITION

CASUALTY UNDERWRITERS

Western department of stock company has two openings for experienced qualified men. Excellent opportunity. 120 S. La Salle Street, Room 400, Chicago 2, Illinois.

ASSISTANT FIRE INSURANCE EXAMINER

Rapid growth of our companies requires an additional experienced fire underwriter. Splendid opportunity for conscientious young man. 120 S. La Salle Street, Room 400, Chicago 2, Illinois.

RIGHT MAN FOR GROUP SALES

Has a REAL lifetime opportunity NOW with one of America's largest and fastest growing insurance companies. Earnings are commensurate with experience, education, potential and progress; other conditions ideal. Write us about yourself, your ambitions and your qualifications. Your inquiries will be kept in strictest confidence. Address J-47, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

STATE AGENT

A well established stock fire insurance company has opening for experienced young man to supervise Illinois exclusive of Cook County. Excellent opportunity. Republic Insurance Company, 309 West Jackson Blvd., Chicago 6, Illinois. Telephone HArrison 7-6670.

AVAILABLE

State agent. 19 years experience. Age 43. Following among Missouri and Kansas agents. Multiple Lines. P. J. Picard, 1614 South Voltsia, Wichita, Kansas. Phone 7-5320.

SPECIAL AGENT WANTED

Stock fire insurance company has opening for young man to manage Cleveland district office and northern Ohio field. Excellent opportunity. In reply state age, qualifications and experience. Address J-48, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

SPECIAL AGENT

GEORGIA and ALABAMA—Excellent opportunity with long established fire insurance company in well developed territory. Attractive present arrangements and excellent future possibilities. All replies held strictly confidential. Our employees know of this ad. Address J-49, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

Large agency in West Texas city desires man between 25 and 35 years of age with both life and casualty experience. Preferably a veteran with college background. Unlimited opportunity for right man. Enclose photograph with letter giving qualifications. Address J-50, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

FIRE SPECIAL AGENT

To travel principally in Northern Illinois and Southern Wisconsin for well established stock company. Good opportunity for experienced man. If interested contact us furnishing full particulars. Satisfactory salary arrangements can be made. Inquiries confidential. Address J-51, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

FIELD MAN WANTED

between age 30 and 50, by large old line stock company, to travel. Texas. Prefer one with Texas experience, but not essential. Give complete information, age, references and experience first letter. Address J-52, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

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Report Dewey May Propose Compulsory Auto Liability Law

Prediction Made in N. Y. Times Article: Situation Causes Much Concern

Governor Dewey of New York is seriously considering a recommendation that compulsory automobile liability insurance be enacted in the state and may make such a proposal in his annual message to the legislature, according to the New York Times. He will also call for a drastic tightening of the state's highway safety laws including compulsory, periodic vehicle inspections.

Insurance companies and producers are convinced, the newspaper article says, that the governor will favor the compulsory insurance idea. To that conviction, the reporter, Leo Egan, attributes a vigorous campaign of opposition by insurance representatives, including several weeks of calling on individual legislators in their home districts.

The article reviews state statistics on bodily injury and property damage, and quotes from previous speeches of Superintendent Bohlinger, and of Henry S. Moser, general counsel of Allstate and president of National Assn. of Independent Insurers.

Bohlinger's Statements Cited

The article quoted criticisms of the present law that had been made by Mr. Bohlinger and summarized the objections of insurers to it.

Mr. Bohlinger was quoted as saying that his mind was still open on the subject and that his department had reached no conclusions on it. The Times story, however, said that his speeches had convinced those in the insurance business that the state was leaning toward compulsory coverage.

The greatest objection to compulsory insurance and that presenting the greatest concern to the business, said the article, is the "unmentioned objection that a compulsory insurance law might well force a reduction in commissions paid to agents and brokers. On automobile insurance alone they now amount to more than \$50 million a year" in the state.

The business is said to be ready for an all-out effort to defeat compulsory insurance in New York because it regards it as the bellwether state of the country on insurance legislation. It is feared that if a compulsory insurance law is adopted in New York, other states will adopt such laws as well.

The following editorial appeared in the New York Times on the subject of compulsory auto insurance:

"Compulsory liability insurance for automobile owners is an overdue, logical next step in the steadily growing book of laws to protect the public, and we welcome the report that Governor Dewey may discuss the question in his annual message to the legislature. Only Massachusetts has compulsory insurance. Nearly all states have some form of motor vehicle financial responsibility law. New York law in recent years has moved gradually toward compulsion in a limited field. But the wide gaps still left emphasize the inconsistency of present statutes.

"It is probably a fact that those most conscientious, most responsible financially and best able to compensate seri-

Gen. Accident Files Glass Cover Ex-Wind

HARRISBURG — General Accident and Potomac have filed a 10% reduction in premium in Pennsylvania on glass policies for risks covered by extended coverage. Consideration for the reduction is exclusion of E.C. perils from coverage under the glass contract.

Interpreted as a means of easing severe burdens on the casualty companies in catastrophes, and getting out from small losses, the action of the filing companies provides for effective release from the agreement of guiding principles on glass insurance reached by Assn. of Casualty & Surety Companies and National Board in June, 1950. Under the agreement the casualty company paid losses up to \$1,000, and fire and casualty participated on losses in excess of that amount.

Casualty companies without fire affiliates have been dissatisfied with the agreement, but felt it necessary to go along for the convenience of their agencies. This action, which may be followed by other independent casualty insurers, is the first positive step toward getting out of it.

The endorsement reads: "In consideration of a 10% reduction in premium, this policy shall not cover a loss or damage due to explosion, riot, aircraft, motor vehicle, smoke, hail and windstorm."

Urge Experience Rating in R. I.

The casualty committee of Rhode Island Assn. of Insurance Agents, following a conference with Commissioner Bisson, has urged members to use the experience rating feature for risks eligible under the state's rating plan. According to the commissioner, many eligible risks are not being experience rated and, though such rating is not mandatory, it is believed it affords more equitable treatment.

ous damage are the very car owners that do, voluntarily, carry automobile liability insurance. Meanwhile those who shy away from the expense of carrying it incur no mandate to insure themselves or deposit security against future damage until after they have had one reportable accident!

The records prove clearly what common observation and common sense already declare, that by no means all accidents are caused by repeaters. Inquiry has also disclosed that there are certain city areas, "congested" areas, in which it is difficult or impossible for some car owners to attain insurance. Since it is in precisely those areas that the innocent public most needs protection, the need for compulsory insurance is emphasized the more.

"New York State has already accepted the principle of compulsory automobile insurance for owners under 21 years of age and for taxicabs. It has accepted it for the one-accident car—the dog that is allowed 'one bite.' There is no good reason why all car should not be insured to protect the public. One notable fact is that the older a car is—and the more dangerous mechanically—the less likely it is to be insured.

"In our opinion the arguments offered by some insurance companies against compulsory insurance are empty of persuasion. The steadily higher estimates on the value of human life, as witnessed in court awards and private settlement of claims, are testimony to recognition of earning power lost, and of families deprived, when a life is snuffed out on the highway, or when disabling injury occurs. The state owes protection to its citizens against hazards caused by the reckless, the careless and the financially irresponsible driver. And it should insist on better than a minimum protection."

J. B. Robertson Resigns Employers Reinsurance Post

J. B. Robertson has resigned as president of Employers Reinsurance after 35 years with that organization.

Mr. Robertson started his association with Employers when he was a member of the law firm which handled legal matters for the company. He joined Employers as an attorney and later was general counsel. He became a vice-president before being elected president in 1942.

Mr. Robertson was instrumental in the 1930s in introducing the sliding scale commission to the casualty reinsurance field, and this basis of accept-



J. B. ROBERTSON

ing reinsurance designed for reserve purposes was of help to many companies at that time. When financial responsibility laws were first being introduced and not all the companies were licensed in every state where such laws were in effect, he developed a plan for qualifying risks in those states where the direct writing company had not applied for a license.

Mr. Robertson has been repeatedly heard advocating rate adjustments in the liability lines where analysis and rate changes have lagged seriously in recent years.

Though resigning as principal officer, Mr. Robertson will continue to serve as a director of Employers Reinsurance. His plans for remaining in the insurance business otherwise have not been announced.

Canadian Automobile Rates Increased: Average Is 8.2%

TORONTO — Automobile insurance rates across Canada (excluding in Saskatchewan and Newfoundland) have been increased substantially, according to joint announcements by the tariff, non-tariff and independent companies. The average increase for the country as a whole will be 8.2%. This announcement follows one made several weeks ago that Ontario rates are being advanced an average of 7.5%.

In Quebec province, the average increase will be 4.4%, New Brunswick 4.4%, Prince Edward Island 23.5%, Nova Scotia 12.9%, Alberta 9.6%, Manitoba 11.6% and British Columbia 19.3%.

Sterling has declared an extra dividend of 5 cents a share payable last Dec. 28 to stock of record Dec. 21. This brings total extras for 1951 to 25 cents per share, the largest ever.

Insurers Irked in WSB Rules' Bias in Blue Cross' Favor

Work Avalanche Due to Shifts to Noncontributory Plans Also a Headache

While the new wage stabilization board regulation and resolution opened the flood-gates for the sale of health and welfare plans, insurance men in this field are disturbed at the edge that these regulations give the Blue Cross plans. The normally superior insurance company plans can still be sold in competition with Blue Cross but the new controls impose no approval requirements for the typical Blue Cross setup but require approval for a number of features that give private insurance plans their edge over Blue Cross. Thus, on a non-approval basis, the insurance companies' edge is blunted while the talking points that Blue Cross attempts to use in arguing its superiority over privately insured plans are left intact.

Would Need Individual Approval

This was probably not done intentionally, at least so far as the board itself was concerned. But as the controls now stand, they are the Blue Cross limits. Consequently, anything that an insurance company would provide differing from Blue Cross, but conforming to the usual insurance-company pattern, would have to get individual approval. For example, an insurance company makes no distinction between hospitalization in a regular hospital and a tuberculosis or mental sanitarium. In such cases it would appear that special approval would have to be obtained. The absence of such distinctions is one of the companies' ways of competing with Blue Cross.

In theory, Blue Cross has no advantage, because an insurance company could write the same benefits. But the fear among insurance men is that since the Blue Cross limits are those in the regulation and resolution, the Blue Cross will have a psychological advantage as well as advantages of procedure.

Write Up to Blue Cross Limits

What can be done is for the insurance company to write the plan up to Blue Cross limits, which require no special approval, and then provide that additional benefits will be effective retroactively as soon as the necessary approval comes through from the wage board.

Efforts are being made to get the board to modify its resolution in respect to the "review criteria" that indicate whether a plan must get individual approval or not. A hopeful sign is that the resolution was drawn up as a separate supplement to the regulation with the idea that it could be modified as conditions might warrant without necessitating the upsetting of the regulations themselves.

Since the controls permit benefit plans to be non-contributory, it is obvious that there will be much pressure to change plans that are presently contributory to a basis under which the employer pays all. This would release the employee's contribution and give him that much more take-home pay without getting wage board approval for it.

1951 to Be Fourth Worst in History for Traffic Deaths

Figure Auto Deaths to Pass Military Fatalities by February

Traffic accident deaths in 1951 will total roughly 37,500, according to the National Safety Council, which states that the year will be worst in that respect since 1941 and the fourth highest toll in history.

Association of Casualty & Surety Companies estimates that in February, 1952, automobile deaths will exceed for the first time in history the total of the nation's military deaths since 1775.

At the end of the first 18 months of the Korean war, on Dec. 25, military deaths in all U. S. wars since the Revo-

lution began had reached approximately 1,004,000, according to the association's comparative study of war and traffic fatalities. The one millionth automobile traffic victim died Dec. 22, and on Christmas day the total deaths from automobiles was only 3,500 below the all-time total of war deaths.

The automobile will soon overcome the head start of 125 years that war had in this country, and during which 530,000 military deaths occurred before one person died in an automobile accident. Traffic fatalities are now occurring seven times faster than those of war. The millionth war victim died in Korea, Sept. 3 or 4, and his civilian counterpart died 110 days later. Traffic fatalities in November, the National Safety Council said, totaled 3,460, a 7% increase over the same month last year, and for 11 months the toll is 7% over the corresponding period of 1950.

The growing number of deaths apparently was in direct ratio to increasing mileage, the council added.

Queen in Casualty Field

Queen Ins. Co., of the Royal-Liverpool group, has entered the casualty field. Casualty licenses have already been obtained in 35 states, District of Columbia, and Hawaii, and application has been made in other states where multiple line operation is permitted.



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Week Before Jan. 1 Is Real Busy in Massachusetts

BOSTON—In the week between Christmas and New Year's much of the population of Massachusetts queues up at motor vehicle registration offices to get automobile plates. It is usually chilly at this season, and last week it was unseasonably so, with wind blowing. At peak hours quite a few people had to stand in the frigid atmosphere, altogether an uncomfortable experience.

Preceding this wait in line there was quite a scramble at the offices of agencies and companies throughout the state to get compulsory insurance, a statutory prerequisite to securing plates. The insurance business was not always able to keep up with the crowds, and there was some waiting here also. The assigned risk plan was doing a land office business in downtown Boston, and offices of insurers writing a lot of automobile bodily injury in the state were swamped with those returning from the assigned risk office to get their insurance. Elevator operators were announcing at the start of every upward run that "if you're after insurance, get off at eight (or five or ten) and turn right (or left or straight ahead)."

Rate Announcement Late

As a practical matter the cause of the delay and the consequent glooming of the business is the announcement of rates by the insurance department. As of Dec. 27 last week commercial car and trailer rates had not yet been set forth. The registry of motor vehicle offices are in business right along. It is possible, if the rates were promulgated early, to have a couple of months in which to process the insurance and registration, instead of a couple of weeks.

Some agents process the registration application for clients early. This is necessary where the client has a low license number and wants to keep it, by mid-October. Registrations could be completed in the fall but nine-tenths of the motoring public won't do the thing in two takes.

Some motorists save themselves a lot of bother at year end by having good agents who see to the whole thing for them, including the waiting in line for registration. One agency, and there are probably others, who provide the service, does this; and on a single day last week spent \$45 of its own money to youngsters for standing in line to get clients' plates—at \$1 an hour. This agency advances the money for plates and settles up after the big rush, for both insurance and registration.

This agency starts in September getting ready, securing authorization from its companies to write the risks, putting files in order, etc. In these times of poor auto experience, there is a lot of underwriting of risks that has to be done at the agency level.

The amount of service that can be

rendered by the agency in connection with auto insurance in Massachusetts is extensive, and it has a very real value to customers. Or even non-customers. A motorist went into an agency the other day, after waiting in line at the registry office 2½ hours, part of it out in the cold, to get help. He hadn't filled out his application properly. He was insured in a direct writer, but the agent helped with the form anyway, and he went back down the street to start his wait in line again.

It is after Jan. 1 that policies are written, accounts straightened out and collected, or financing arranged, and records and statistics set up. This requires one or two months of diligent work and it is in this period that some of the offices have to put on extra help or resort to overtime.

Collection Problem

The basic delay of rate announcement thus creates a collection problem. On commercial cars last week agents were accepting down payments. Maybe the policies won't get out and collections made till February. Of course, for all this the agent gets less commission than he gets anywhere else. However, agents say that if they have enough auto accounts, the business still pays. One agency with about 2,000 cars on its books has two girls who spend the entire year on the automobile business. Besides the writing of the policies, etc., they spend a lot of time on endorsements throughout the year.

Good agents in the state are trying to help assigned risk applicants, though there is no commission on such business. This aid consists of providing the applicant with a declination (two used to be required), explaining the procedure, and directing him to the assigned risk office in Boston. A few producers in Boston charge the applicant \$10 and do the work and running around (it is probably worth it).

One feature of the Massachusetts operation is that a company earns one assigned risk credit—it has to take one less for each new compulsory risk—new resident or new driver, for example. This makes an open market for insurance in the state.

May Take Rates to Court

Last week it was considered a distinct possibility that the insurers would go to court over the rates the insurance department approved, less than half of the increase asked. One complaint of insurance people is that the commissioner regards the figures filed by the companies and the rates requested as bargaining amounts, which is of course not so. They are the minimum rates the companies are convinced they can operate with in the state, on the dreadful experience.

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E. A. McCORD
President

C. C. INMAN
Executive Vice President



Reviews Disability, W. C., War Damage, Other Problems for N. Y. Self-Insurers

The disability benefit maximum in New York undoubtedly will be raised to \$30 a week to equal the unemployment insurance payment, James J. Regan, secretary of Self-Insurers Assn. of New York, said at the annual meeting of the group here. If a man is not working because he is ill, when he needs money most, he is certainly entitled to at least the same amount he would get if unemployed for other reasons, he noted.

The workmen's compensation board may also sponsor legislation in connection with rehabilitation, for partial disability for silicosis and may favor the imposition of a penalty for failure to make a first payment of compensation within 18 days of accident, as presently required by law.

Miss Donlon Favors Fine

Miss Mary Donlon, he recalled, favors imposition of a penalty of \$25 upon the carrier or employer responsible for failure to pay compensation within 18 days, with the fine going to a fund for the payment of administrative expenses. This would be extremely expensive, Mr. Regan said. His association holds no brief for late payments and believes the incidence of late payments should be diminished. But even those companies which have sickness disability plans that pay full wages from the very first day of absence do not have a 100% record of first payments within 18 days after disability. The association believes enactment of a law such as suggested by the board chairman should not be considered until the problem has received further study.

He called attention to the compensation court bill sponsored by Associated Industries of New York State. Increased W. C. costs in New York have been a matter of grave concern to industry in general; they exceed the costs for compensation in any other state in the country. One reason is the extreme liberality of construction of New York law, rather than benefits provided.

The way the law is presently being interpreted in New York, about the only fact which is needed to establish liability is to show that an injured person is employed, and occasionally even that is found under circumstances which would admit of reasonable doubt, Mr. Regan said. The W. C. board is the final judge of the facts.

The bill which Associated Industries is sponsoring would set up a compensation court with jurisdiction over all appeals in W. C. matters, with power to review the board on questions of law, fact and the entire record and with power to make an independent determination. Labor, some legislators and the W. C. board oppose it. Though the chances of the proposal passing are remote, introduction of it may focus attention on the problem of increasing costs.

The association members are much disturbed about war damage legislation, particularly as it effects W. C. Miss Mary Donlon, chairman of the W. C. board, has directed its counsel to send all the members of the W. C. advisory committee a copy of all pending bills with respect to war damage and has scheduled a meeting on the subject Jan. 8.

Since December, 1950, the W. C. board has employed two part time doctors for rehabilitation; 448 cases have been referred for rehabilitation, more than 300 of them by the board and not by private insurers. Insurers refused to authorize treatment in 43 cases, doctors refused to transfer cases in 22 and 28 claimants refused to accept authorized rehabilitation treatment. The W. C. board rejected 115 cases which had been proposed for rehabilitation.

Miss Mary Donlon reported that 21 cases of rehabilitation have been concluded, of them there have been marked improvement in six so that injured employees were able to resume old jobs at the same wages; there was considerable

improvement in five cases so that injured employees resumed other work at the same wages; there was minimal improvement in two cases and no improvement in eight.

There is a real need to have rehabilitation specialists as part of the W. C. medical staff, Miss Donlon believes. There is further need for power of com-

pulsion so injured workmen could be compelled, perhaps by withholding compensation, to take the treatments authorized and recommended, according to Miss Donlon. She has said that her board is studying legislation, has considered Massachusetts law, but believes the Missouri law better because it provides for a medical board to pass on cases in dispute and which can if it believes there is an unreasonable refusal to undergo rehabilitation treatments, withhold compensation.

Self insurers do not object to proper rehabilitation legislation properly ad-

ministered; rehabilitation is a desirable end and consists substantially of medical care. However, any law enacted should preserve and protect the rights of employers to be heard and the money should not be spent uselessly on impossible cases, Mr. Regan stated.

The Wilkinson, Clark & Bieser agency at Oklahoma City has been dissolved. Oscar Bieser is retiring from the firm to establish his own agency. John H. Wilkinson and Hugh Clark will continue to operate under the name of Wilkinson-Clark.

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Consumer Credit Insurance Group and Commissioners to Meet in Florida

Consumer Credit Insurance Assn. is going to hold a mid-winter meeting at the Delano hotel, Miami Beach, Jan. 11-13. Cecil Woods, president of Volunteer State Life, is president of C.C.I.A. At the same time and place there will be a meeting of the N.A.I.C. zone 3 committee on credit life insurance with C.C.I.A. people. The zone 3 representatives are shaping up model legislation for submission. The commissioners committee consists of Georgia, Florida and Tennessee.

Kirk A. Landon who heads an extensive organization at Miami dealing in all forms of finance company insurance, is chairman of arrangements.

Cal. Seeking Actuaries

The California department is recruiting nationally for experienced actuaries to take a civil service examination March 15, for a position with the state. The position pays \$584 to \$710 per month in California, and \$644 to \$782 when working outside the state. Final date for filing for the examination is Feb. 23.

Requirements are three years in actuarial work with a life or casualty com-

pany, consulting actuarial practice, or in comparable work in a government agency. Educational requirements are graduation from a college or an associateship or fellowship in the Society of Actuaries. Additional experience may be substituted for the required education on a year to year basis.

San Antonio Claim Men Elect

Newly elected officers of San Antonio Claims Men's Assn. are Dick Johnson, Lloyd Caldwell Claims Corp., president; Arthur Creager, Globe Indemnity, vice-president; C. A. Weeber, Loyalty group, 2d vice-president, and W. H. Greathouse, A. B. Haston Claims Service, secretary.

Ponder Defense Group Successor

WASHINGTON — Whether a successor to the late William F. Lund, Pittsburgh insurance consultant, shall be appointed on the insurance advisory board of the Defense Department will probably await the next meeting of the board scheduled for Jan. 25, according to Director Kane.

Mr. Kane has called a meeting of a surety industry committee for Jan. 4, the day after his meeting with the group committee. Matters connected with the defense program, defense contracts or the defense projects rating plan were on the docket for both meetings.

Director Day of Illinois has renewed and reissued the regulation of November, 1950, as of October, 1951. This is the ruling having to do with catastrophe coverage on fire business providing for the minimum self-insurance of \$100,000 and providing for filing requirements on catastrophe coverages over that amount.

Pa. Compensation Benefits Are Sharply Increased

The Pennsylvania legislature last week passed and sent to Governor Fine bills increasing benefits under the workmen's compensation and occupational diseases acts.

Maximum benefits for injury to a workman covered by compensation are increased from \$25 to \$30 a week, and the benefit period from 500 to 700 weeks. There is also a boost from \$12,500 to \$20,000 in the maximum aggregate of payment.

The other bill eliminates the word "solely" from the occupational diseases act. The law previously specified that in the event of a worker's death, payment within the meaning of the act was required only if it were determined he died "solely" from injury or disease sustained or contracted in connection with employment.

The governor has indicated he will sign the bills.

Reissue Catastrophe Rules

Director Day of Illinois has renewed and reissued the regulation of November, 1950, as of October, 1951. This is the ruling having to do with catastrophe coverage on fire business providing for the minimum self-insurance of \$100,000 and providing for filing requirements on catastrophe coverages over that amount.

N. C. Papers O.K. Rate Hike

RALEIGH, N. C.—North Carolina newspapers are in the habit of protesting vigorously when there is an upward revision in insurance rates in this state. But they made no complaint at all against the \$2,142,000 annual increase in auto liability which went into effect Dec. 17.

Instead, the papers received the increase with editorials conceding it had to be done and that the drivers had no one to blame except themselves. Even those which in the past have complained most loudly when insurance rates advanced found nothing to criticize in the approval given by Commissioner Cheek.

Back Police Safety "Ads"

Farmers Mutual Liability of Indianapolis is underwriting the cost of the accident prevention campaign sponsored this year by Indiana state police. The company decided to bear the expenses of a program when it learned that the highway state police were planning to have a statewide billboard campaign on safe driving.

The police provided a list of "high-accident" areas and the posters are being put where it is felt they will do the most good.

Chattanooga Claim Paid

Standard Accident, after a complete audit of his books, has paid the city of Chattanooga \$50,000 covering the full amount of the bond of Alvin Shipp, former city treasurer, who confessed to a shortage of \$53,386 in his accounts existing since 1933. It is understood that the city will seek to cover the remaining \$3,386 out of Shipp's personal property.

Changes in House Organ

"Protection," house organ of Travelers, appeared this week in a new format and will henceforth be issued on a monthly instead of a weekly schedule.

L. K. Porritt, editor of the publication for more than 25 years, has relinquished the editorial reins upon the advice of his doctor, but will continue to serve in an advisory capacity and will contribute articles and features to the publications as associate editor.

George Malcolm-Smith, assistant manager of the publicity department, has been appointed editor to succeed Mr. Porritt. He is widely known as an author and lecturer in the insurance field and has also written some highly successful novels and a successful Broadway comedy.

Mass W.C. Rate Hike May Apply to Year-End Renewals

Insurers still had some hope the forepart of the week that the Massachusetts department would approve a revision of workmen's compensation rates in time for year-end renewals. It was expected the department would scale down the new "profit and contingencies" factor, with the result that the overall rate increase would be nearer 7% than the almost 9% sought by the companies.

Deputy Commissioner O'Connell heard arguments of representatives of Massachusetts Workmen's Compensation Insurance Rating Bureau at a hearing the end of last week and was studying briefs over the week-end.

Martin Heads N. Y. Group

Rankin Martin, resident vice-president of Standard Accident, has been elected president of Surety Managers Assn. of the City of New York. Edward M. Brown, National Surety, is vice-president, and Fred Kehrl, Hartford Accident, secretary. Mr. Martin succeeds Putnam L. Crafts, Home Indemnity.

Mid-Continent in Operation

Mid-Continent Casualty, the new insurer formed at Kansas City to specialize in automobile coverages, is now formally in operation. The company eventually will write all forms of insurance except workmen's compensation and life. It is reinsuring the former Automobile Dealers Mutual and its affiliate, Automobile Dealers Insurors, following approval at a joint hearing before the Missouri, Kansas and Colorado departments. Managing officer is R. L. Flath, general manager and vice-president. Capital and surplus totals about \$850,000.

N. Henry, Pacific National Fire, has been elected president of Insurance Accountants Assn. of San Francisco.

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January 3, 1952

Truman Commission

WASHINGTON — Paul B. Magruder, general of the commission, a critic of the federal securities administration's compulsory health insurance, has said what should be done.

Dr. Magruder's system of diagnosis and treatment of the disease is not affordable.

That plan, middle ground and the American program for treatment of heart disease grants to finance medical care.

Dr. J. W. Cheek has declared that a commission of La Cross refused to He charged that rates of Tru health insuranc

John H. Hart Group A

Rate increases in the Life and Health insurance affecting new effect on January experience merely.

Clarence Hart commenting on the decrease in premium and the rate structure while turned up wages and the substantial recent improvements in techniques. resulted from hospital, such as the substitutes an capital services that A. & C. are increasingly pattern has situation, he

Such curtailed Wyatt, as contingencies of disability benefit of marginal to a defense margin between cost.

Behnken Seattle

Massachusetts established a new with G. B. F. man's Fund Seattle, as ton and Idaho.

Mr. Behnken in 1932 with T. Massachusetts were Life, g. the H. R. latter company Life in 1947 charge of the department and establish office early in 1951.

Mutual

Premiums in 1951 will according to

BITUMINOUS CASUALTY
CORPORATION

ROCK ISLAND



ILLINOIS

ACCIDENT AND HEALTH

Truman Names New Health Commission; A.M.A. Against

WASHINGTON—President Truman has announced appointment of Dr. Paul B. Magnuson, former surgeon general of the veterans administration and a critic of the plan of Oscar Ewing, federal security administrator, to head a new presidential national commission to study health problems of the United States and what should be done about them.

Dr. Magnuson recently proposed a system of clinics for examination and diagnosis of patients' condition on a basis of them paying what they could afford.

That plan has been described as a middle ground between the Ewing plan and the American Medical Assn.'s program for setting up a cabinet Department of Health and providing federal grants to state-administered funds to finance medical care only to persons unable to pay for it.

Dr. J. W. Cline, president of A.M.A., has declared there is no need for such a commission. Dr. Gunnar Gunderson of La Crosse, Wis., a trustee of A.M.A., refused to serve on the commission. He charged it was packed with advocates of Truman's socialistic compulsory health insurance plan.

John Hancock Raises Group A. & H. Rates

Rate increases on John Hancock Mutual Life group A. & H. coverages, affecting new business only, went into effect on Jan. 1. On existing policies, experience rating will be used as formerly.

Clarence W. Wyatt, vice-president, in commenting on the move, referred to the decreasing margin between gross premium and net cost. In recent years the rate structure has taken a downward course while claim losses and costs have turned upwards, he said. Increased wages and costs of materials have offset the substantial savings effected through recent improvements in administrative techniques. Higher claim losses have resulted from the effect of inflation upon hospital, surgical and medical costs, and from the changing ideas as to what constitutes an acceptable standard of hospital service and medical care. The fact that A. & H. benefits have become increasingly a part of the basic wage pattern has contributed toward this situation, he declared.

Such current influences, stated Mr. Wyatt, as the new and unexpected contingencies created by state compulsory disability benefit laws, and the entrance of marginal workers into industry due to a defense economy, also narrow the margin between gross premiums and net cost.

Behnken Mass. Indemnity Seattle General Agent

Massachusetts Indemnity has established a new general agency at Seattle, with G. B. Behnken, formerly with Fireman's Fund A. & H. department at Seattle, as general agent for Washington and Idaho.

Mr. Behnken entered insurance in 1932 with Travelers and later was with Massachusetts Protective and Paul Reverie Life, going to Seattle in 1941 with the H. R. Henderson agency of the latter company. He joined Occidental Life in 1947 and the following year took charge of Fireman's Fund A. & H. department at Seattle. He expects to establish offices at Spokane and Tacoma early in 1952.

Mutual Benefit Premiums Up

Premiums of Mutual Benefit H. & A. in 1951 will be in excess of \$91 million, according to President V. J. Skutt. This

will be an increase of better than \$3 million, and Mr. Skutt is optimistic about the outlook for this year, stating that "with the increased cost of being sick or hurt facing the American family today, health and accident insurance will find even more favor with the insurance buyer." He said he expects a 10% increase in premiums in 1952.

E. A. Smith Joins Peerless Casualty in A. & H. Post

Edmund A. Smith has joined Peerless Casualty as superintendent of the A. & H. department at the home office.

Mr. Smith was graduated from Bucknell University in 1933, later attending graduate school at New York University. In 1937 he went with the life, accident and group claim department of Travelers at New York. He joined the Sullivan agency there in 1948 as supervisor of A. & H. underwriting and production, in 1949, was appointed superintendent of the New York branch of the A. & H. department of Loyalty group. He is a past president

of A. & H. Club of New York and for the past three years has been an instructor in A. & H. for Insurance Society of New York.

Fete Cincinnati Girls

CINCINNATI—The Cincinnati Assn. of Accident & Health Underwriters gave a Christmas party and dinner for girls of the Hillcrest school. Officials of the Hamilton county welfare department were guests. R. G. Myers, general agent of Massachusetts Protective, president, presided.

Wash. Blue Cross Rates Up

WASHINGTON—Group Hospitalization (Blue Cross) and Medical Service (Blue Shield) here have increased rates effective March 1, due to increased costs of medical care. Benefits will be enlarged, including annual potential 84 days' hospitalization, compared with 30 days.

Individual contracts for hospital service will be increased 40 cents per month to \$1.70, family contracts by 70 cents to \$3.70. Individual medical service contracts will remain at \$1 per month, and family contracts will be increased by 50 cents to \$3.20.

CHANGES

Travelers Ups Forsberg, Makes Other Changes

Travelers Indemnity has announced several changes.

Randolph W. Forsberg, formerly assistant manager at Manchester, N.H., has been promoted to manager at New Haven.

Five field supervisors have been promoted to assistant managers. They are Orville W. Caseley at Boston; Richard T. Washburn, New Haven; Robert H. Cockerell, Fresno; Harold A. Tucker, Charlotte, and Richard Swayne, Stockton, Cal.

A. Richard Mead, Jr., recently returned from military service, has been reappointed field supervisor at New York City.



R. W. Forsberg

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310 South Michigan Avenue
Chicago 4, Illinois

supervisor at New York City. William H. Hines, assistant manager at Los Angeles, has moved his headquarters to San Diego, and Ward A. Crane, field supervisor at Jacksonville,

Fla., has transferred headquarters to Miami.

Edward F. Kelly formerly with Aetna Casualty, has been appointed casualty

special agent of Atlantic Mutual at Syracuse.

Aetna Casualty Opens New Branch at Reading, Pa.

Aetna Casualty has opened a branch office at Reading, Pa., covering the territory formerly supervised for a number of years by the Essick & Barr general agency.

Joseph W. Essick and J. H. Barr, who have headed the firm since its inception, have retired from active management, although they will continue to be associated with the organization. John W. Homer, Jr., and John J. Moran are in charge. Mr. Homer has been secretary and Mr. Moran assistant treasurer of Essick & Barr.

George E. Rhine, who has been superintendent of agents at Washington, will be in charge of the new Aetna Casualty office. Vincent T. Reagen will be superintendent of the bond department; George R. Major, superintendent of underwriting; Paul E. Sprowls, agency supervisor, and L. R. O'Donnell, cashier. The office will occupy the former Essick & Barr space at 533 Penn street.

Lutz With F. F. Richardson

George E. Lutz has been appointed managing underwriter of the casualty department of F. F. Richardson, Inc., New York general agency. He has been with Great American Indemnity.

Holden Joins Potter Agency

Gerry R. Holden, Jr., superintendent of agents for Aetna Casualty in Georgia, Florida, Alabama and South Carolina for five years, has resigned to join the Potter agency, Aetna representative at Atlanta for 33 years.

Mr. Holden started with Aetna Casualty in 1936, and for a number of years was an instructor in the home office sales course.

The commission will investigate practices before the industrial commission by attorneys and others; methods used in determining, fixing or establishing employer classifications and premium rates; collection, maintenance, investment and disbursement of state insurance funds; administration of the medical section, and all matters which the commission may consider desirable or necessary.

To Discuss Rehabilitation

Compensation insurers will be well represented at a conference of Institute for the Crippled & Disabled at New York City Jan. 16.

Stanwood L. Hanson, assistant vice-president of Liberty Mutual, is one of the speakers. Among those to attend are Henry D. Sayer, compensation insurance rating board; James J. Regan, Assn. of Self-Insurers; Raymond N. Caverly, vice-president of F. & C., and G. E. Mulligan, compensation claims manager of American Surety. The morning program is devoted to rehabilitation in compensation cases.

Insurers May Appeal Mass. Compulsory Auto Rate Hike

While company reaction to the Massachusetts department's order increasing compulsory automobile rates by 9.7% hasn't crystallized into a definite action, there is strong indication that appeal may be made to the state's supreme court. The companies, which contend that an increase of at least 23% is needed to merely break even, have until Jan. 8 to file their appeal.

It is not expected that an appeal would have much effect on rates this year. The major issue would be a refinement of the methods used to determine rate adjustments. The three-year average, 1948 through 1950, was used for the current increase. The companies argue that this dilutes the bad experience of 1950, resulting in an inadequate rate level.

Casualty Association Names N. M. Woods in Claims

N. Morgan Woods has been named manager of the claims bureau of Assn. of Casualty & Surety Companies. Mr. Woods joined the association in 1940, as special agent in the Atlanta office of the claims bureau. He has been special agent in charge at St. Louis since 1941, when that office was opened, except for a two-year period in the navy.

Lumbermens Mutual Cas. Premiums Pass \$100 Million

Premiums of Lumbermens Mutual Casualty in 1951 exceeded \$100 million, according to Chairman James S. Kemper. The \$100 million mark was passed after 11½ months, and exceeds the 1950 total by nearly \$10 million.

Lumbermens will pay federal income taxes of more than \$1 million in 1951, and dividends to policyholders will approximate \$11,750,000.

Open New L.A. Offices

The new Los Angeles headquarters of Swett & Crawford, Pacific Coast general agents, and the home office of Pacific Indemnity at 3450 Wilshire Boulevard was opened for business Jan. 2. They are occupying about 65,000 feet of floor space on the 2nd, 3rd, 4th, 5th and 11th floors of the building.

Since 1926, the two organizations have been located in the Pacific Finance building and Roosevelt building in downtown Los Angeles.

Centennial in New Denver Home

Centennial Casualty of Denver has moved into a new home office at 1645 Court Place there. The company owns the four-story brick building at that location and has remodeled the second floor into office space.

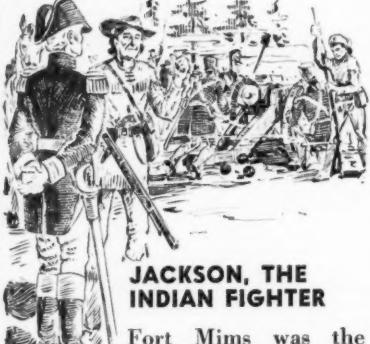
HIGH SPOTS IN HISTORY

27: ALABAMA



SETTLEMENT OF ALABAMA

Back in 1702 the French Governor of Louisiana, Jean Baptiste Le Moyne, founded Fort Louis. Nine years later the settlement moved south to the present-day site of Mobile.



JACKSON, THE INDIAN FIGHTER

Fort Mims was the scene of a large scale massacre by the Creek Indians in 1813. Shortly after, General Andrew Jackson and his men defeated the Indians at the Battle of Horseshoe Bend.

ALSO A HIGH SPOT . . .

among insurance agents is the service of these great companies. They know they get speedy, efficient service . . . claims are paid promptly . . . and they got constant home office co-operation. That's why the trend is to Hawkeye-Security and Industrial.

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FULL SPEED AHEAD**Producers Can Write Group, Leave WSB Headaches to Others**

The important thing about belated WSB group insurance regulations is not that there are still a number of questions to be answered but that the regulations permit the writing of much group stabilization and that the producer can go ahead and sell cases today and leave the technicalities to insurance company men.

There is every indication that the wage stabilization board intended general wage regulation 19 as a pretty static document, but that the agency will not be adverse to amending resolution No. 78 in which review criteria are established. If these maximums prove flexible, the insurance companies can straighten out their difficulties eventually with the WSB. On the whole, the regulations do not seem to have been accepted unfavorably by insurance people.

Delays Are Likely

Wage-hour division offices through the country do not yet seem to have the special forms requisite for filing of all cases with the WSB board in Washington. So far no one can answer such questions as how much delay there will be in Washington in processing cases that require review. It is not clear whether cases which have been filed with the WSB for some months will have to wait 30 days before they can consider an automatic plan approved. The question has arisen whether the new cases are to be considered entirely separate from what has already been established on the same groups. It is not plain whether plans will be permitted to go back to Jan. 1 once they are approved by WSB. Apparently the strategy will be for the companies to get approval of the parts of their plans which qualify for automatic approval and then wait for the sections of the plan requiring formal approval to pass the board. Apparently WSB will permit such a piecemeal procedure.

Many Cases Automatic

A large percentage of the group cases that would ordinarily be written will qualify for automatic approval by the board. They are cases where the employee pays at least 40% of the cost of the insurance and on which any benefit may be granted without reference to review criteria maximums or they are cases in which the contribution of the employee is less than 40% but in which provisions fall below review criteria maximums. Some dependent coverage may have to be held up separate from worker coverage, because in the case of coverage for dependents the employee is less than 40% but in which contribution must be at 40% or more gross cost, the coverage must be limited to an employee's spouse and children under 19 years of age and all the benefits cannot contain any feature listed among the review criteria. In other words, all dependent coverage must not exceed the review maximums and must feature employee contribution of at least 40% or it cannot qualify for automatic coverage and must be referred to the WSB tripartite committee.

Discuss Insurance of Aged

A variety of subjects of insurance interest are discussed in the annual report of the New York state joint legislative committee on problems of the aging which has just been distributed by Senator Thomas C. Desmond, Newburgh, chairman. The 315 page report is entitled "No Time To Grow Old."

Writers discuss pensions, social security, and group life and group health and hospitalization insurance for older persons.

There is general dissatisfaction with the \$50 monthly maximum placed on the earnings of a retired individual qualifying for social security payments, and many suggestions that the act be extended to cover everyone.

R. A. Hohaus, actuary, Metropolitan Life, has an article on group life insurance and its relationship to the employment of older workers. Louis H. Pink, former New York superintendent of insurance, now president of Associated Hospital Service of New York, and a trustee of Mutual Life, discusses both life and hospitalization insurance.

Court Rules Validity of Cancellations Doesn't Hinge on Premium Return

Effective cancellation is not dependent on refund of unearned premium when the policy provides that insurer may cancel by mailing to insured the usual five-day cancellation notice, according to a ruling of Ohio supreme court. The case was Gibbons vs. Kelly, American Casualty, CCH 37 (Automobile) 571.

Gibbons recovered a judgment against Kelly on account of personal injuries sustained as a result of the latter's negligence in the operation of his automobile. The judgment not being paid, Gibbons filed a supplemental petition against insurer.

The insurer sent the cancellation notice to Kelly, citing non-payment of premium. The premium, however, actually had been paid, but the court held this had no significance in the case. Under terms of the policy, the insurer was not required to give reason for cancellation, and the fact that an incorrect reason was given had no effect on the validity of cancellation.

The agent, instead of sending Kelly the pro rata return premium, credited it as a partial payment on premiums for other policies which Kelly had the agent take out for him with other insurers.

The court stated that while there is a class of cases which hold that both notice and the return of the unearned premium are required to terminate the insurance, they did not affect the current case because the policy did not contain such a provision. In the absence of legislation, cancellation provisions are those set forth in the policies. Refund of unearned premiums, therefore, is not a condition, either precedent or subsequent, to effective cancellation. The insurer merely is indebted to the insured for the amount of such unearned premium.

Rules Ky. Hospitals Can't Insure Against Misfeasance

FRANKFORT, KY. — State Tuberculosis Sanatoria Commission can't insure its hospital patients against carelessness or ignorance of doctors, surgeons, nurses and attendants, under an opinion rendered by Assistant Attorney General Holifield.

Kentucky statutes do not provide for such insurance because state and county hospitals and private charity hospitals are not liable in such cases, Holifield said.

Replying to a query from W. T. Hockensmith of the insurance department, Holifield said the statutes authorizing property insurance do not cover patients in hospitals.

Crashed Plane Covered

Aero Associates had the coverage, placed in the London market, on the Continental Charters, Inc., two-engined plane that crashed near Salamanca, N. Y., killing 26 of 40 on board, according to aviation market sources. Aero declined to comment.

The hull was insured by U. S. Aviation Underwriters until a little more than a month ago. Liability was carried in the London market.

The plane was the same type that crashed near Newark several weeks ago,

killing 56. That plane also was in Aero Associates, giving it an unfortunate experience in the last few weeks of 1951. Apparently an unusually high amount of coverage was carried on the hull. Some of these type planes have been bought as war surplus from the air force for small amounts.

Six New Bureau Members

National Bureau of Casualty Underwriters has elected to membership London Assurance and Manhattan F. & M. of the London Assurance group; Albany, Atlas and Quaker City F. & M. of the Atlas group; and the Excelsior of New York. National Bureau membership now totals 139 companies.

O. Roy Carlson, assistant secretary of

American, has been spending three weeks on field inspection in Texas.

Open Birmingham Branch

Travelers has opened a new branch office at Birmingham, Ala. The companies have maintained a claim and engineering office at Birmingham for 20 years and until now business in Alabama has been supervised and serviced by branch offices at Atlanta and New Orleans.

Jemison-Seibels, Inc., Birmingham, which has represented Travelers since 1903, will continue its representation.

Rhode Island Insurance Women will hold a Valentine party at Providence Feb. 7. Ina Dunn, Insurance Underwriters Agency, and Hope Morton, Employers group, both of Providence, are in charge of arrangements.

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NOT FAR AWAY

Use of Electronic Devices in Fire, Casualty Fields

A growing number of fire and casualty people are watching developments in the field of electronic computing and calculating devices, with the growing conviction that eventually, and perhaps in the not too distant future, the remarkable performance of such devices will be adapted to practical use in fire and casualty procedures. Progress in this adaptation is of special interest, of course, to those who work with the figures of the business, and at a recent conference of Insurance Accountants Assn. there was an informal but spirited and enlightened discussion of the subject.

Participants were E. G. Crapser, vice-president of Pacific Fire and chairman of the accountants' electronics committee; A. M. Hathaway of the Boston; William B. Maley, North America, and J. W. Braisie of Remington-Rand.

No Limit to Uses

There is apparently no limit to the use that could be made of electronics in business, Mr. Crapser said in his report. Perhaps not all of the applications are practical. Several companies and research personnel working on electronic devices have asked Mr. Crapser to let them know what the fire insurance problems are so they can have them in mind as they develop the devices. They are devices and not machines — they use few if any moving parts.

Many developments and improvements are ahead, and Mr. Crapser expressed hope that the cost of the devices will decline to reasonable proportions. But their performance is impressive. Speeds are so tremendous it is easy to visualize doing a great deal more work than is done today in the fire business and doing it more often. Work that might take 20 days to do on ordinary tabulating machines can be done in 12 hours. It is possible all work may be done on a day-to-day basis so that the taking off of statistics or figures for annual statements would only be a matter of adding the last day and printing the results.

While this is greatly over-simplified, it is within the realms of possibility. The practical approach could be a combination of day-to-day work and monthly, quarterly and annual summary work similar to the present punch card procedures. The speeds are so tremendous, however, that most summarizations are practical on electronic devices without any previous pre-sorting. Work can be taken in any order whatsoever; if the number of totals to be summarized is not too great (3,000 to 4,000) the electronic devices can do it so rapidly it does not need to go through a pre-sorting operation.

Anything on the Policy

A scanning device has been developed, but Mr. Crapser knows of no electronic development that is planning to use it. All present electronic developments that he knows of must be manually transferred to a tape of some sort. There are developments whereby this tape could be prepared as a by-product of a typing operation. For example, in writing policies all information typed on the policy can be put on tape. This means not only the type of abstract usually made up, but a complete copy of the policy, so that any bit of information shown on the policy can be reproduced, assembled, tabulated, etc., whenever needed.

There are rumors of an automatic file so that every policy in force with the complete information could be put on tape and kept in the file. By requesting the information, the results would show up on a scanning device or in the form of a typed copy or possibly a photo-

stat. At least three companies are working on such a development.

Mr. Crapser can visualize attachments for producing tapes which could be placed on all typewriters used to prepare policies, loss pockets and other original data. Thus there would be a complete record of every item written, every loss set up, etc. When policies are allotted to an agent, a tape could be prepared of all the numbers allotted. Some sort of numbering device would put the information on the tape, making it unnecessary actually to punch each number.

From this tape and the tape prepared from the typing of the policy, a fire company could get an automatic check of the allotment record. The master tape would be made up representing National Board classifications in total, together with the proper code numbers. By processing the tape of business written and losses set up, the proper codes can be placed on the premium and loss data. Checking rates could be handled by putting the rate manuals on a tape to be checked against this original master tape of business written. Of course, any computation on the original daily report would be checked by the electronic device.

He sees no reason why the entire "fire record" could not be put on a series of tapes and checked done by electronic devices. The devices can be instructed not only to check exact duplication but variations as well. The devices have no imagination but they can do any job a clerk can be instructed to do. If the instructions can be written out, the devices will do the job.

Line Sheets

Line sheets could be reduced to a tape and all items compared with the line sheets so that only items which require reinsurance need be looked at by underwriters. It might also be possible to develop a system which would do away with mapping and street carding. Devices would then automatically bring out block or congested liability. The whole approach would be to single out the items requiring attention, letting the bulk of material go through after it has been compared with the various tapes representing the present clerical operations in the fire insurer.

As to regular statistical work, the new devices are quite capable of doing everything now done with punch cards, plus. It should be a simple matter to get actual unearned premiums, if desired; that is, eliminate averages entirely, figuring reserves on a policy basis. It should also be possible to do this by agent, by broker or for any other unit. Because of the tremendous speeds this could be done daily, making the information available at any time. Reinsurance could be made automatic, again by using the line sheet master tape.

Other tabulating ideas which have not yet been fully developed, such as account checking by machine, would be a simple matter for the devices. It may be that punch cards will not be eliminated entirely. Punch cards can be made up from the tapes and tapes can be made up from punch cards.

Rapid Fire Printing

At the receiving ends of the devices, machines are in development now for printing 360 lines per minute, 600 lines per minute, 900 lines per minute, and one actually in use will print from punch cards at the rate of 1,000 lines per minute. The speed may reach 5,000 lines per minute.

In automobile and inland marine, similar underwriting and extent personnel can blunder along and make changes as they go on punch card equipment,

though the best installations are well thought out in advance. Electronic devices, however, will only do what they are told to do. Therefore they must be told what to do correctly the first time. A good many programs, however, will be standard.

With such devices there would be no point in having any card records, index, or no particular reason for keeping daily reports, as any DR could be reproduced to its original form from a tape. The company can accumulate statistics, make computations, write letters, copy a policy, figure loss ratios, earned premiums, etc., make all sorts of comparisons simply by issuing the necessary instructions to the machine.

Use in Reinsurance

North America has three I.B.M. 604s at present, Mr. Maley commented, and has put them on certain jobs with very good results, for example, in the distribution of portfolio business on reinsurance, known as a 5-line treaty. The company has a distribution holding the treaty intact at 100%, making it possible to distribute throughout its accounts at very little effort and at high speed, 6,000 an hour, and positive control for all the business going through this treaty throughout the U. S. and the distribution thereof. Without the machines, he does not believe it would be possible to do the job at the head office.

It is also applied to what is called a 9-line treaty, where the company is controlling its fire account—worldwide and not just countrywide, keeping the account intact on foreign currencies and also keeping the treaty in such fashion that it can be absolutely read in converting money to dollar value. This describes exactly where the company stands in cases like devaluation of the pound. For instance, it shows whether the company is losing money or not in its transactions when it is desired to summarize on a dollar basis and have absolutely the currency of the country devaluated downward.

A&H Progress Good But Bigger Job Ahead, Volk Says

Extension of insurance coverages to more people, more comprehensive benefits, and reasonable costs of medical care, tied in with close cooperation of American business, labor and the medical profession, is the best way to stem government health insurance activities, Harry J. Volk, vice-president in charge of western operations for Prudential, said in a talk at Los Angeles at the annual meeting of California Chamber of Commerce.

Mr. Volk reviewed the improvement in American health since the turn of the century, as well as the growth of health facilities, commenting that this record has been made with a minimum of government intervention. He pointed to the great growth of voluntary insurance plans in the past decade, but warned there are numerous weaknesses in the present insurance system.

Advises Cover for Catastrophes

Private plans, while furnishing the answer to socialization of medicine, must be improved, according to Mr. Volk. One of the major requirements, he continued, is that programs be evolved and sold promptly to meet the medical and surgical costs arising from truly major illnesses and accidents. Although 75 million Americans have health insurance today, for the most part it is designed only to take care of routine illnesses.

This fact is understandable, Mr. Volk said, when it is realized that hospitalization insurance was promoted in the 30's by general hospitals, with the primary purpose of collecting general hospital bills. Most policies today cover the equivalent of semi-private care for limited periods. In the field of surgical insurance, some plans give full service

to people in the lower income brackets. None of these plans, though, do a really adequate job for persons earning \$5,000 a year or more. The great need is for insurance that will take care of catastrophes, such as tuberculosis, cancer, extending over long periods of time.

Mr. Volk remarked that about two years ago experimentation was begun on a medical disaster policy which embodies two fundamental principles. The first is a deductible, designed to avoid expenses incidental to paying small claims, and the second, a coinsurance factor, intended to eliminate extravagance on the part of assured.

Mr. Volk said his company believes there are two other features which are desirable. He would base the deductible factor on the family budget rather than on the individual illness. As an example, he said if all members of a family were injured in an automobile accident, policies issued until recently would require a deductible for each person, thereby defeating the purpose of the insurance. A better plan, he observed, is one under which, when the family deductible of \$300 or \$500 is satisfied, subsequent illness for the ensuing benefit year on the same or any other member of the family is subject only to a \$25 deductible, and that is imposed to cut out nuisance claims.

The other major problem is a question of premium rate, Mr. Volk remarked. It is important to have premiums which will reflect the risk, because once an employer puts in a plan it is difficult to abandon it. In sizing up the market for this coverage, Mr. Volk said Prudential concluded that the white-collar groups, particularly the business and professional men, would be the most interested purchasers.

Air Force Needs Insurance Man

DAYTON — Air materiel command here has announced a vacancy for insurance examiner, with starting salary of \$5,060 a year, in the federal civil service at Dayton. This position was established to review insurance programs of air force contractors under the national defense projects rating plan.

A college graduate is preferred, with a degree in law or business administration. It is desired that applicants have at least one year of workmen's compensation and liability underwriting in the home office of an insurance company, or three years' casualty underwriting other than in the home office.

Interested persons may obtain the application for federal employment standard form 57 at any first or second class post office and submit the completed form to Wright-Patterson air force base, employment branch, U. B. building, Fourth and Main streets, Dayton, attention: MCACXC32A.

Gets Appraisal Assignment

LOS ANGELES—American Factors, Ltd., of Honolulu has engaged General Appraisal Co. to appraise six Hawaiian sugar mills and a pineapple cannery under its management. It is estimated that it will take nearly a year to complete the evaluation. The plants are located on four islands.

Of 17,000 filings made with the Washington financial responsibility division during the 11 months of 1951, 75% were covered by insurance, according to a report of the administrator.

The Clyde Wilcox general agency of Billings, Mont., moved to its own building at 3312 Fourth avenue North.

Willy M. Berry, special agent of Southwestern General Agency at Albuquerque, N. M., has resigned to go with the Anderman & Glasebrook local agency of Albuquerque.

Insurance Women of Baton Rouge, La., heard A. P. White, chairman of the casualty and surety division of Louisiana Insurance Rating Commission, talk on automobile insurance rate changes. Mrs. Margarette Heltz was named recording secretary.

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WHAT IF YOU PAID THE BILLS?

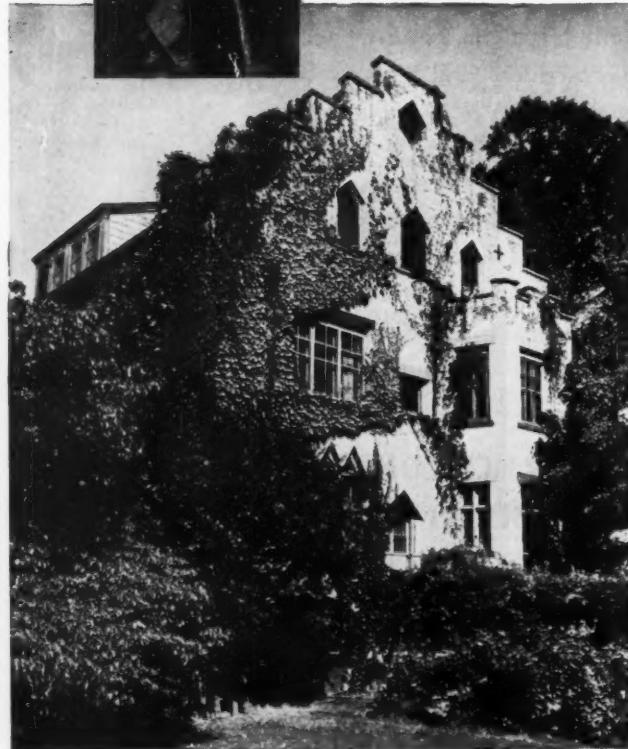
You'd be the biggest, most popular man in town if you could publicly offer to pay the hospital and doctor's bills for anyone who was sick or injured.

Naturally, you can't make any such offer. You can, however, tell people that for a few cents a day they can have Travelers Accident and Sickness insurance which will protect them against loss of earnings through sickness or injury.

Travelers Accident and Sickness insurance, with its broad, up-to-date coverage, is just the type of protection you'll want your customers to have. They'll appreciate the peace of mind that goes with having their insurance with the company which pioneered in the field of Accident and Sickness protection—The Travelers.

THE TRAVELERS INSURANCE COMPANY
HARTFORD, CONNECTICUT





Nast cartoon of Washington and Greeley was captioned, "History repeats itself. Both fond of chopping trees, and neither of them could tell a lie."



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★ THE HOME ★
Insurance Company

"Go West" Greeley

*the old wood chopper
of Chappaqua*

TO BE GREETED as "Uncle Horace" always pleased Greeley and indicated the public's affection for the editor of the powerful New York *Tribune*. His peculiar garb and cherubic, whiskered face made him the caricaturist's favorite; his high voice won him the nickname Squeak; but it has been said that "no other man in his time exercised so great an influence." Although he was responsible for advancing other men's careers—notably he secured Lincoln's nomination for the presidency—the only political office he held was a brief term as Congressman.

Born in Amherst, New Hampshire in 1811, Greeley started as apprentice printer when only fourteen and at twenty came to New York with his possessions tied in a handkerchief. His tattered clothes cost him many jobs but men who hired him found him an able printer and he soon had his own shop. In 1841 he founded the *Tribune* which under his editorship set a lofty standard.

As a supporter of causes Greeley molded opinion and his reiterated advice to "go west" was often heeded yet in his own home he declared he had no voice "unless I fight for it and not even then." The house in Chappaqua, New York, where he lived for twenty years was selected to please his wife, a complaining invalid devoted to spiritualism and health cures, but it failed to interest her. To Greeley, however, his property was a joy for here he could indulge his fondness for farming and for chopping wood. "The ax," he used to say, "is my doctor and my delight."

In 1872 when Greeley ran against Grant for the presidency, he made a short speaking tour and was so violently attacked as a "beggar for office" that he said, "I hardly know whether I am running for the presidency or the penitentiary." He was defeated and died a few weeks afterwards.